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... for their splendid cooperation that has been so  
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**THURSDAY, MAY 30, 1935**

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# COMPANIES

# The National Underwriter

## A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 22

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 30, 1935

\$4.00 Per Year, 20 Cents a Copy

### Parley on I. U. B. Records Results

Several Proposals of Agency Conferencees Concurred in by Company Men

#### WEIGH FOUR PROPOSALS

Interstate Board Committee Headed by Harold V. Smith While K. H. Bair Is Chairman of Agents' Group

A conference was held in New York between committees representing the companies and the National Association of Insurance Agents on various phases of the Interstate Underwriters Board.

The agents presented four recommendations which were given earnest consideration, as a result of which the I. U. B. committee has agreed to recommend to its governing committee several of these suggestions, all of which look to the protection of the local operations of the agents. These recommendations are:

1. That the I. U. B. retain its present rule requiring a minimum of five or more locations to qualify.
2. That it will continue the application of the principle that reporting forms should only be used for the purpose of insuring fluctuating values.
3. That underlying policies must be issued in each state where there are any values under these reporting forms.
4. That the right of the agent to his over-writing commissions be reaffirmed.

#### No Change Is Contemplated

In connection with the first recommendation, assurance was given that no change was contemplated in the present rule requiring at least five locations.

In discussing the second question, assurance was also given that only fluctuating values should be insurable under I. U. B. forms. This question arose out of the recent publicity given to the inclusion of lumber sheds in the rating of lumber in yards. The company committee explained that these small sheds have always been included in every retail lumber schedule put out by the local rating bureaus and was in accordance with the long established practice of the business; that the I. U. B. has always had such a rule, following the local rules, and that no change in connection with these sheds was made at the time of the last change in the rules in regard to writing of lumber in yards, under I. U. B. forms.

#### Cause of Much Discussion

In regard to the third recommendation it was brought out that in practically every state it is necessary to issue underlying policies and that this is being done by the companies.

The fourth recommendation brings up a question which has always been the cause of much discussion by the agents

(CONTINUED ON LAST PAGE)

### New Farm Schedule, Policy and Policy Form in Kansas

SEVERAL CHANGES ARE MADE

Coverage Is Broadened in Many Respects; Electric Light Credit Is Extended

A new farm schedule, new farm policy and new policy form become effective in Kansas, June 1.

The definition of owner is liberalized. The classification of buildings is revised somewhat. The electric light credit is extended to include farms and out buildings whereas heretofore such credit was given only for dwellings and contents.

Under the new set up, the special pro rata form for covering live stock is mandatory only where excess limits are required. Heretofore the pro rata form was mandatory where the farmer had more than 30 head of cattle.

The special charge for portable or stationary feed mills and feed grinders is abrogated.

The grain item is amended to include ground feed and all kinds of manufactured stock food. Formerly this was included with hay, straw and fodder.

The household furniture item has been considerably broadened. Among other things it covers the insured's interest in articles purchased on the installment plan.

Combined harvesters and threshers may be included as specific items in the regular farm policy at 1½ times the farm rate applying to other barn personal property items. Heretofore these machines had to be written under a special policy for one year only.

#### Special Cancellation Table

A special short rate cancellation table is published for policies covering specifically on live stock. The companies desired to obtain a greater advantage for themselves, because in several counties in Kansas cattle are brought in for pasturage and are kept on the place only during the hazardous lightning summer months. The short rate for 60 days is 50 percent of the annual premium; for 90 days, it is 55 percent; 120 days it is 60 percent; for five months, 65 percent; six months, 70 percent; seven months, 75 percent; eight months, 80 percent; nine months, 85 percent; 10 months, 90 percent; 11 months, 95 percent; over 11 months, full annual premium.

For the first time a commercial dairy barn schedule is included. Previously there had been no charge. Now there is a charge of 35 cents for 1 year on the cash plan; 70 cents for 3 years and \$1.05 for five years. On the long term note plan there is a charge of 90 cents for 3 years and \$1.25 for 5 years. On the instalment note plan there is a charge of \$1.45 for 5 years.

The new standard policy corresponds with that in use in other states except in regard to the vacancy and unoccupancy provision. Sixty days unoccupancy is allowed and there is no reduction of insurance. Thirty days vacancy is allowed with one-third reduction of insurance. In other states there is both 30 days unoccupancy and vacancy with one-third reduction of insurance.

### Hitch Develops in Missouri Rate Litigation Compromise

BUT HOPE IS NOT ABANDONED

State Court's Unexpected Attack Is Appealed to Supreme Court—Way Paved in Federal Court

Despite the unexpected action of the circuit court at Jefferson City, Mo., in ordering immediate return to policyholders of the \$1,750,000 in the custody of the state court, representing the 16½ percent rate increase in collections since 1930, much confidence is expressed that the compromise settlement will sooner or later be made effective. The action of the state court is regarded generally as a hitch in the program but not as interfering with the continuance of negotiations.

The state court denied the motion for a rehearing on its order, but allowed the companies to take an appeal to the Missouri supreme court and this automatically suspends the order for an immediate distribution of the impounded premiums.

#### Federal Judge Agreeable

Federal Judge Stone, who is now sitting in St. Paul, held a conference with attorneys for the companies and for the state of Missouri in regard to the compromise. Judge Stone said that a hearing will probably be held in federal court in Kansas City early in June for the purpose of disposing of the rate case in the federal court. He said the disposition of the case probably would be through dismissal and disposition of the \$9,000,000 in the hands of the federal court.

There has been much publicity in the daily papers in Missouri about the proposed compromise and the state has given out several interviews outlining the details of the settlement. All of the publicity has come from the state. The terms, as set forth in these interviews, are intended for the understanding of the layman and there has not yet been a statement intelligible to insurance people. The anti-administration newspapers in Kansas City and St. Louis have been referring to the compromise as an 80-20 settlement, meaning that the companies are to get 80 percent of the premiums and the policyholders 20 percent. Insurance Superintendent O'Malley maintains that the proposed compromise is fair and equitable.

#### Question of Temporary Scale

There were some reports that Mr. O'Malley has promulgated a new schedule of temporary rates retroactive to May 1, corresponding with that that prevailed up until Nov. 15, 1922, when the insurance department ordered a 10 percent rate reduction. So far as can be determined such reports are without foundation; setting of a temporary scale pending rerating of the state is a feature of the compromise but not until the settlement actually becomes effective.

Had the circuit court permitted the compromise to go through, the next step would have been a reclassification of risks and other concessions to policyholders that would have brought the

(CONTINUED ON PAGE 13)

### Need to Put Curb on Poor Loss Men

Haid Urges Closer Attention to Weeding Out Incompetent Adjusters

#### TAKES UP COMPETITION

President of Executives Association and Fire Companies Adjustment Bureau Makes Report

NEW YORK, May 29.—Closer attention by company executives to assignment of their losses so as to curb employment of incompetent adjusters was urged by Paul L. Haid, president Insurance Executives Association and president Fire Companies Adjustment Bureau in his report on the latter organization.

"Perhaps it is too much to expect that under present conditions there should be appreciable improvement in the competition involved in loss adjusting," said Mr. Haid. "We believe there has been some improvement since our last annual report."

#### Sees Competition Reduced

While conceding the difficulty of determining accurate results in this case by statistical comparison, Mr. Haid said he believed the several phases he had dealt with illustrated an increase in the percentage of losses handled by the bureau and a consequent reduction in competition.

"There is, however, much room for improvement," he continued. "It is hardly to be expected that the morale and work of competent adjusters will show progress so long as the vicious practices accompanying the extensive competition for business prevail. It is only too apparent to us that our expressed purpose to cooperate with good independent adjusters has been used by many company representatives to justify their wholesale employment of the incompetent."

#### Notable Progress Made

"It is a most discouraging fact that there is still a large diversion of loss assignments by those companies whose genuine purpose it is to patronize the bureau. We urge a more active and closer attention by the executives of those companies to the assignment of their losses. The facilities of the bureau are at your disposal for the determination of who are fit adjusting representatives. "We are most hopeful that our companies will recognize the notable progress of the bureau in the few years of its existence. The development of its personnel commends it is practically the only sensible choice as an adjusting agency and we feel that its governing effect throughout its territory has been most wholesome and at a time when such control was most essential. The economies we have ac-

(CONTINUED ON PAGE 13)



## London & Lancashire Governor Views Insurance World

Sir Frederick W. Pascoe Rutter, governor and chairman of the London & Lancashire, has a remarkable grasp of the insurance drift throughout the world and its relation to world affairs, political, economic and social. His address each year at the ordinary general meeting of his company in London is a valuable summation. He has been a student of American insurance and affairs and his observations as to conditions in this country are always significant.

Mr. Rutter repeated, as still being valid, his observations of three years ago: "Most of us have been surprised at the intensity and length of America's ordeal of depression. They themselves have been probably more surprised than the lookers-on, but it is obviously the natural and inevitable sequel to a long period of advancing world power which some day had to encounter a serious, if temporary halt. The United States, with its rapid exploitation of machine instead of man-power, and its insidious instalment system, had simply discounted several years ahead and reckoned that, if all was not well with the world, they were still able to absorb their own mass production."

### Some Recovery Is Shown

Although that, he contended, is the root cause of the trouble in this country, there has since been something in the nature of recovery. He voiced the belief that the United States is probably five or perhaps seven per cent better off than it was two years ago. The bulk of this recovery is not necessarily permanent or even sound, he declared, because it has been so largely achieved by artificial methods. To the outsider and to the Americans what is happening in the United States is a conundrum.

The United States is still going through a revolution. It was inevitable that a change would come about, since the war upset everything, including the gold standard, and the United States could not be immune from this universal change. He said America has come up against a set of new factors and unusual conditions to such an extent as to affect the whole fabric of the country. The legislators in attempting to rectify the position and create a new stable structure, have been hampered by the rigidity of their own constitution.

Time and patience are necessary for readjustment to settle down, he declared.

### Federal Reserve System

The federal reserve system, he contended, lacks the strength and cohesion which the British are used to. The Bank of England is still the great central bank, independent of politics and free from those dangers to which American banking is still subject.

He said that in America an attempt has been made to put changes into effect without taking into account the bankers and capitalists, who were so largely responsible for the developments and abundant prosperity in days gone by. Any successful revolution must have regard to the important elements which are a vital part of the structure of the country, he said. The confidence, not merely of one party, but of those who have made the wealth of the country, is essential. If that confidence is weakened any reforms must be hampered in the course of their operation.

President Roosevelt's object has been a more widespread distribution of money coupled with actual employment of millions of potential workers who have been stranded.

Roosevelt's heroic efforts, he said, may quite possibly lay the foundations of a resuscitated and more homogeneous country. The British profoundly hope



SIR F. W. PASCOE RUTTER

for success of the new deal because prosperity in the United States contributes to prosperity in England and vice versa. The two great English speaking countries are bound together by common interests. Those two countries are the greatest pillars of western civilization and of world security, he contended.

Referring specifically to insurance operations in this country, he mentioned the marked improvement in the results of the fire insurance business. The aggregate fire waste in the United States in 1934 was the lowest since 1917. This might seem to indicate recovery, but he said while premiums have been maintained and losses are again diminished, taxation is a threatening danger.

The better results did not apply to the casualty field in the United States and generally speaking the results were poor and showed actual deterioration. "This was scarcely surprising," he said, (CONTINUED ON LAST PAGE)

## Hail Prospects in Western Territory Are Now Bright

Hail insurance prospects in the western territory are regarded today as very bright. Business is being produced in good volume from Nebraska and Iowa. The best moisture conditions that have prevailed for five years in South Dakota exist today. Except for the drouth belt of New Mexico, Colorado, western Kansas and the panhandle of Texas, the outlook is very promising. In that section the prospects are practically nil. The outlook in western Nebraska is also questionable. Montana is reported to be in good shape and the Canadian northwest is most promising.

The greatest hope for the hail business this season is the northwest. The crop prospects in North and South Dakota are better than they have been for many years. The North Dakota state hail fund is not making much of a bid for business since Commissioner Hopton lost interest when the legislature defeated his plan for compulsory hail insurance, the premium to be collected as a tax. About the only unfavorable factor is the fact that the federal government has the first lien on a majority of the crops in North Dakota on account of feed and seed loans. Negotiations have been going on for some time between government officials and the leaders in the hail business looking to the perfecting of an arrangement whereby the insurance companies would be permitted to get a lien ahead of the government on account of the hail insurance premium.

About 85 per cent of the farmers in North and South Dakota are indebted to the government on account of advances for seed and feed and consequently the government has a primary lien on 85 per cent of the crops.

### Mutuals Get Tax Extension

The commissioner of internal revenue has granted a further extension of time for filing income tax returns by mutual companies other than life. The extension is granted for not later than June 15, 1935. Interest on one-fourth of the amount of the tax shown on any return, for the payment of which an extension of time is granted, will accrue at the rate of 6 per cent per annum from March 15 this year to the date of payment.

## THE WEEK IN INSURANCE

**Curb on employing incompetent loss men urged by President Hald of Fire Companies Adjustment Bureau in report.** Page 1

**Hitch develops in proposed compromise of the Missouri rate case.** Page 1

**Conference on Interstate Underwriters Board is held in New York between committees representing agency association and the companies.** Page 1

**New farm schedule, farm policy and policy form have become effective in Kansas.** Page 1

**Nebraska agents hold annual meeting. Reelected all officers.** Page 2

**F. W. Koeckert is elected president of the National Board at the annual meeting.** Page 8

**Summary of presidential address and committee reports at annual meeting of National Board is given.** Page 3

**Oregon agents' association, in annual session, elects John C. Sturm president.** Page 4

**Warning of obsolescence in fire departments by former Chief Kenlon of New York not taken seriously by underwriters.** Page 3

**Interesting use and occupancy decision rendered in favor of the assured at Birmingham, Ala.** Page 12

**Congressman Hobbs of Alabama introduces another bill in Congress to control the use of mails to companies not licensed.** Page 9

**Ray F. Stryker tells Nebraska agents of program in Omaha to capture for local agents premiums on financed automobiles.** Page 8

**High honor was paid to W. E. Mallin, general manager of the National Board, on his rounding out 25 years of service.** Page 10

**Secretary Philpott of the Oklahoma Insurance Board starts war on unlicensed companies.** Page 18

**Plans are announced for the annual meeting of the Washington Insurance Agents League and its special luncheon at the time of the meeting of the insurance commissioners in Seattle.** Page 22

**W. W. Greene makes provocative suggestions in his address on compensation insurance before meeting of the Casualty Actuarial Society.** Page 29

**Annual observance of Pennsylvania Insurance Days is celebrated in Pittsburgh. J. S. Fisher elected president of Pennsylvania Federation.** Page 29

**C. E. Haantunen of Omaha, resident engineer of the inspection office of the National Bureau of Casualty & Surety Underwriters, talks on automobile safety before the Nebraska local agents.** Page 30

**Surety people are much interested in the shortage of about \$400,000 in the office of former Cook County Clerk Sweltzer.** Page 30

**Suburban Auto of Lombard, Ill., celebrates tenth anniversary, calling in agents in Indiana and Illinois.** Page 31

## Nebraska Agents Reelect Officers

**Protest Demand for All Collateral Lines in Writing Compensation**

**OBJECT TO SURETY FUND**

**Urge Investigation of Chain Store and Multiple Location Coverage for Policy Countersignatures**

### OFFICERS REELECTED

**President—Arthur B. Dunbar, Omaha.**  
**Vice-President—George Cowton, Grand Island.**  
**Second Vice-President—L. C. Simpson, Fairbury.**  
**Secretary-Treasurer—T. A. Bryan, Omaha.**

The reelection of all officers, headed by President Arthur B. Dunbar of Omaha, and the passage of four pertinent resolutions marked the annual meeting of the Nebraska Association of Insurance Agents at Hastings.

The growing practice of casualty companies in writing compensation of demanding supporting lines of insurance other than those of the carrying company was condemned and a request made that the practice be discontinued. The incoming officers were authorized to incorporate the association on a non-profit basis.

Protests were lodged against two legislative measures, the creation of the state bonding fund and the firemen's relief fund tax. The countersigning of all policies by resident agents was favored and association members were urged to investigate all chain store and multiple location risks and report to the president all such policies not properly issued and countersigned.

### Legislation Foremost

The stiff legislative fight was still foremost in the agents' minds and the discussion of legislative matters occupied a large part of the convention proceedings.

The attitude of the companies toward the association's attempts to eliminate unlicensed agents was discussed by Phillip W. Downs, Omaha, chairman of the executive committee. A recent investigation disclosed more than 200 unlicensed agents in Omaha. Every individual who is sincere in his efforts to sell insurance should be licensed and the "commission grabbers" should not be allowed to take business which rightfully belongs to an established local agent. He said the committee has urged the field men to discontinue making application for agents unless they operate on a full time basis.

The activities of the Federal Land Bank and the HOLC were investigated by the executive committee. The Home Owners Loan Corporation has been very fair in placing its business through local agents. Rumors that the Federal Land Bank had written insurance instead of going through an agent proved to be unfounded after an investigation.

### Criticizes Casualty Companies

Criticism against the casualty companies requiring collateral lines in writing compensation was voiced by Mr. Downs. He cited several instances where the entire fire line had been required in order to obtain the compensation coverage. He considered this as going too far. A closer tie-up between the state association and the local

(CONTINUED ON PAGE 26)



## Lower Man-Power Now Only Concern

Personnel Cuts in Some Fire Departments Believed Carried Too Far

### MOST APPARATUS MODERN

Warning of Former New York City Chief Fails Greatly to Alarm Underwriters

NEW YORK, May 29.—Despite the acknowledged fire-fighting ability of J. J. Kenlon, for 25 years prior to his retirement in 1932 chief of the fire department here, fire insurance people attending the complimentary dinner tendered W. E. Mallalieu, general manager of the National Board, were unable to muster any undue alarm over Mr. Kenlon's warning as to danger existing through failure of municipalities to purchase new fire protection equipment in recent years.

As a matter of fact, most cities and towns have maintained fire departments and water systems on a high plane of effectiveness in spite of depression conditions. Economies, it is true, have been effected in man power, but only in rare cases has this been carried to the point of endangering efficiency.

#### Have Modern Apparatus

In 1910, communities generally began replacing horse-drawn fire equipment with motorized apparatus, a practice continued until 1929, by which time not only had new first line equipment been secured, but, in most cities, reserve engines and trucks as well. As the average piece of apparatus does not travel more than 1,000 miles annually, an engine or truck should last 20 years before requiring complete overhaul. Some smaller towns, it is recognized, are shy of new hose, deferring their customary annual purchases until such time as money is available. But here again, the situation is not one to excite alarm.

#### Man-power Reduction

As fully 90 percent of the cost of maintaining the average municipal fire department goes for salaries, the reduction in man power is the only feature that fire underwriters are particularly concerned about, fearing in a very few instances, this form has been carried too far.

So far as water supplies are concerned, the great majority of municipal services are perhaps in better shape today than for a considerable period. The federal government has advanced funds freely for any self-sustaining or self-liquidating municipal activities. Persons on relief have been put to work in enlarging or repairing water services, and by and large this feature of fire protection is causing no uneasiness whatever to underwriters.

### Pearl Opens in Philadelphia

PHILADELPHIA, May 29.—The Pennsylvania department of the Pearl fleet has been officially opened, with temporary quarters at 428 Chestnut street.

P. H. Mell, former co-manager of the Home, is manager of the department and A. T. Herkness, who recently resigned as assistant secretary of the Pennsylvania Fire, is assistant manager. Service offices in Pittsburgh and Harrisburg, under competent special agents and engineers, will be opened shortly. Mr. Herkness, who started as a special agent of the Great American, was also assistant secretary of the Fire Association at one time.

## New Official



FRANCIS J. DECELLES

Francis J. DeCelles, the new Massachusetts insurance commissioner, graduated from Boston College, being in the class of 1921. He is a native of the state, having been born in Somerville, March 11, 1899. He studied law at the Suffolk Law School and Boston College Law School. He was engaged for 14 years in the work of business research and counsel. He has been connected with several of the largest public utility firms in the state as counsel. He joined the staff of the Boston College Law School in 1930 and continued as a regular professor. He became a registrar of the pre-legal division in 1933.

## Set Kentucky Hearing on General's Rate Deviations

FRANKFORT, KY., May 29.—The General of Seattle is to be heard by Commissioner Reed June 4, in connection with its recent filing of a deviation of rates in the term rule of the Kentucky Actuarial Bureau, under which it would write five-year term on payment of the first year's full premium and three-quarter premiums the remaining four years. The Kentucky Actuarial Bureau contends that this is merely a method of cutting rates; that the five-year reserve is not paid up; that the five-year premium is not paid at one time; that it differs from installment payment of premiums, and is not in keeping with the intent of the term rule.

#### OHIO CASES CONTINUED

COLUMBUS, May 29.—The hearing of the suits brought by the General of Seattle and Merchants Fire of Indiana against Superintendent Bowen to set aside his recent ruling relative to five-year term payments of fire insurance premiums, which was set for Tuesday of this week in the Ohio supreme court, was continued to Friday, as members of the court were attending the funeral of former Supreme Justice R. R. Kinkade in Cleveland Tuesday.

### Fourth Generation in Board

J. Pierpont Morgan, Jr., represents the fourth generation of his family as a director of the Aetna Fire. His great-grandfather, Joseph Morgan, was proprietor of a coffee house in Hartford, where the Aetna was organized in 1819. Thereafter, Junius, J. Pierpont, and finally J. Pierpont, Jr., took their places in turn on the board.

The Union Mutual Fire, Providence, R. I., has been licensed in Kentucky.

# Reversal of Loss Record Predicted by W. H. Koop

W. H. Koop, in his presidential address at the annual meeting of the National Board, expressed the conviction that as the business pace is quickened the number of losses and their volume will be increased. Mr. Koop is president of the Great American.

"It would be a mistake," he said, "to interpret the underwriting results of the past year, or even two years, as indicative of what lies ahead for us, for based on past experiences, we are forced to conclude that the probabilities are against a permanent reduction in the fire waste of the country."

#### Explanation of Record

The marked improvement in underwriting results in the past two years can scarcely be explained by the lack of serious conflagrations and the diminution in the number of criminal or suspicious fires. During a depression, the insurance on commercial and industrial establishments, he pointed out, is usually written on a somewhat restricted basis and inventories of insurable goods are much below the normal level. Accordingly, there is a substantial reduction in the amount which the companies have at risk. Manufacturing and mercantile plants are operated at less than usual pressure and the curtailed staffs of workers are usually made up of more capable and efficient employees who exercise more than average care. It is not reasonable to assume that these conditions will continue when business resumes its normal pace, when stocks of goods are built up and when factories and shops again require the services of all types of workers. Then the carelessness of the average individual will again manifest itself, as it always has in the past.

During the year there has been a substantial enhancement in the value of security portfolios and the companies have had an unusually favorable underwriting experience. In 1934, the premium income of National Board members increased about 4.73 percent over that of 1933, whereas in 1933 the income of members decreased 10.5 percent against the preceding year. The underwriting profit in 1934 was 12.01 percent.

In 1934, premiums earned of member companies were \$395,603,390; losses incurred, \$158,757,322, (40.13 percent); expenses incurred, \$189,326,698, (47.86 percent); profit, \$47,519,370.

Taxes in 1934 were \$16,064,412 and the ratio of taxes to net premiums written 4.18 percent as compared with 3.90 percent the year before.

### ARSON AT LOW EBB

Conditions at present seem to be better than at any time in the history of the committee on incendiarism and arson, according to the report of that committee, of which Harold Warner, manager Royal-Liverpool, is chairman.

The easing of the mortgage situation as to dwellings has removed much of the pressure which prior to 1935 brought about an alarming increase in dwelling fires; moratoriums on mortgage foreclosures have remained effective. The upward trend of commodities has tended to do away with the motive for deliberate fires.

In many sections, vigorous and successful defense of fraudulent claims has been a powerful influence in lessening arson. An increasing number of prosecuting attorneys have turned their attention to the problem. State fire marshals and other special public investigating agencies have reached a higher standard of efficiency this year.

The number of arrests during 1934 was about 21½ percent less than in

1933 and only about half as many as in 1932. They were less than in any year since 1928. Convictions, by number, were about 20 percent less than in 1933. However, convictions were obtained in about 77 percent of the cases tried, as compared with 70 percent the year before.

Especially good results were obtained in New York and Chicago.

All cases instituted against the National Board, its special agents or member companies for libel, false arrest, etc., have been successful from the companies' point of view. No such suit, so far instituted, is believed to have any genuine foundation but in each case it has been an effort either to force settlement of some liability under the policy or it has been instituted in the hope of a compromise.

The committee expressed the belief that although succeeding years may see temporary increases that the crime of arson will never again reach the magnitude that it did a few years ago.

### ANALYSIS OF LOSSES

W. M. Hoffman, president of the Firemen's of Washington, D. C., reported as chairman of the committee on statistics and origin of fires. The destruction by fire last year was \$262,848,122, a decline of 3.17 percent from the previous year. In 1933 the decline was 32.28 percent as compared with 1932. This indicates that the ebb tide in fire destruction is approaching, beyond which material improvement cannot be expected.

The loss per capita for the United States in 1934 was \$2.08 compared with \$2.16 for 1933. The average per capita loss in cities increased from \$1.51 in 1933 to \$1.59 last year. In 1934 there was a decrease in total loss and average loss per fire but an increase in the number of fires. There were 7.18 fires per 1,000 population and the average loss per fire was \$221.89.

About 12½ percent of losses were not covered by insurance as compared with 9 percent during 1932 and 1933. There were 20 cities whose losses exceeded \$5 per capita as compared with ten in 1933.

### ENGINEERING WORK

The activities of the engineering department were reviewed in the report of the committee on fire prevention and engineering standards, John F. Gilliams, vice-president of the Camden Fire, chairman. Twenty-one complete reports were issued, the most important being those on Milwaukee, Rochester, Scranton and Dayton. Thirty-four special and supplementary reports were published and followup inspections have been made and bulletins issued on 11 cities and four quarterly progress reports issued.

The engineering department has been called on in planning improvements in many cities, particularly through the use of PWA funds. In other cities the National Board has cooperated in devising ways of providing the most effective protection with the means available.

The committee caused F. C. McAuliffe, chief of the Chicago patrol, to inspect the fire insurance patrol of Philadelphia, New York fire patrol and Boston protective department. A report has been prepared on the underwriters fire patrol of Kansas City. In each of these cities the problem has been to reduce expenditures so that returns from the 2 percent assessment on premiums will be sufficient.

The Boston adjustment situation was

(CONTINUED ON LAST PAGE)

## Oregon Agents Association Holds Annual Meet in Salem

### OHILING URGES UNIFICATION

Commissioner Earle Reports 400 Agents  
in State Write 75 Percent  
of Business

#### NEW OFFICERS ELECTED

President—John C. Sturm, Portland.  
Secretary-treasurer—Samuel Fries,  
Portland (reelected).  
National councillor—Claude Nas-  
burg, Marshfield.

SALEM, ORE., May 29.—The convention of the Oregon State Agents Association brought together here the largest number of both local and special agents yet to convene at such an annual gathering.

In his annual address President M. D. Ohling of Salem stressed the association's slogan, "To support right principles and oppose bad practices in the

business." He declared that this has been carried out to the nth degree by the association in spite of some adverse conditions in business. He urged the further unification of forces. Great harmony now prevails in all sections of the state, although there are yet many problems to be solved by both companies and agents.

#### Earle Urges Qualification

Hugh H. Earle, new Oregon insurance commissioner, declared that his prime objective would be to give the insuring public the best insurance protection possible and keep his office and administration on the highest possible plane. Some 400 agents wrote 75 percent of the business in the state and the other 25 percent is spread over some 2,100 additional agents. He declared that it would be much better to have the entire amount written by the legitimate agents who devote their entire 100 percent of time to the business. For them it would mean the difference between a meagre and a real living. Those who devote only five to 10 percent of their time to insurance and the balance to some other endeavor will be frowned on by the insurance department.

G. L. Dutton, president Special

Agents Association, brought greetings. Conditions are constantly changing, especially that of supervision by home office officials. Agents should go after new lines of business. Both branches of the business should show a united front, especially in getting new rate schedules.

#### Conly Is Luncheon Speaker

At the luncheon Clifford C. Conly, San Francisco, chairman Oregon conference committee, who was introduced by President George Harley of the Portland Insurance Exchange, said the most important problem before the business today is the increasing intrusion of the government in privately managed insurance. He declared that experience has demonstrated the real need for a continuance of well-managed stock company protection; that insurance is essentially a private enterprise, and not one for the government to throw into any political jackpot, having no actuarial basis. He also criticised the idea of making protection compulsory. It must be voluntary, he said, for a continuance of growth and power.

He called attention to workmen's compensation in Oregon, showing a steady decrease for the state fund from

1914 to 1931. In the latter year the fund was practically nil, and in order to bring it back to anywhere near an adequate figure it was necessary to raise the rates 10 percent.

#### State Insurance Discussed

He deplored the lack of insurance on Oregon's state buildings, supplies and equipment, and expressed the hope that adequate protection be afforded at as early a date as possible.

At the afternoon session there was a further discussion of the state's fire restoration fund, which was depleted by the capitol blaze, and other buildings left without protection of any kind. Final decision on the action to be taken was left up to a special committee of the association. An excess insurance setup suggested by Carle Abrams, Salem, met with considerable favor among the delegates. Under it the state would use the restoration fund plan for all losses below \$25,000, but protect losses above that amount through insurance bought by the state board of control. By this method the rate of purchased insurance could be kept low, while the state would have full coverage.

John C. Sturm, Portland, who was elected president to succeed Merrill D. Ohling of Salem, will name several appointive officers and the executive board will select the city for the next convention.

## Illinois Athletes Forced to Pass Sedentary Day

Despite an all-day rain about 90 Chicago members of the Illinois Blue Goose turned out Tuesday for what was to have been a golf tournament to choose a winning team of two to play winning teams from the Peoria, Rockford and Springfield puddles at Lake Delavan, Wis., in June. However, golf was abandoned and the members passed the day in indoor pursuits.

A class of 27 new members was initiated in the evening, about half a dozen being selected for the tourture. S. A. Mehorter of New York, most loyal grand gander, who was scheduled to attend, was not able to appear, but the grand nest was represented by T. Ray Phillips of Oklahoma City, grand supervisor. A. R. Miller, America Fore, presided as most loyal gander. L. H. Bridges of the Home, past most loyal grand gander, presented a past most loyal gander's button to A. T. Ahlin, Norwich Union, who served the Illinois pond last year, and administered the charge to the new members.

Among the new members were sons of two Chicago insurance executives, and their fathers were on hand for the ceremonies. They were H. L. Pettigrew, son of T. A. Pettigrew, general manager of the Underwriters Adjusting, and Victor Koch, son of Carl Koch, Cook county manager of the National Liberty. Both young Koch and Pettigrew are connected with the Underwriters Adjusting.

## Oklahoma Wants 1936 Rally

The Oklahoma pond is already making plans to entertain the grand nest of the Blue Goose for the annual meeting in 1936. T. Ray Phillips of Oklahoma City is in line to be elected most loyal grand gander at the annual meeting this year and the annual meeting as a rule is held in the home state of the head of the order. The Oklahoma people want the meeting to be held in October instead of August, which is the usual month for the session, because of climatic conditions.

## Branch Manager at Winnipeg

D. K. Boddy of Winnipeg, Man., has been appointed branch manager of the Security of New Haven, American of Newark and Fire Association. His office has jurisdiction over western Ontario, Manitoba and Saskatchewan.

# SPRINGFIELD SPOTLIGHTS

for  
1935

Owners of private automobiles are  
rapidly recognizing the advantages of  
carrying

## COMPREHENSIVE AUTOMOBILE INSURANCE POLICIES

You should be quick to seize the opportunity to sell them. The "Springfield Group" is distributing a unique booklet that will help you. Write for your supply.



THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Pindley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

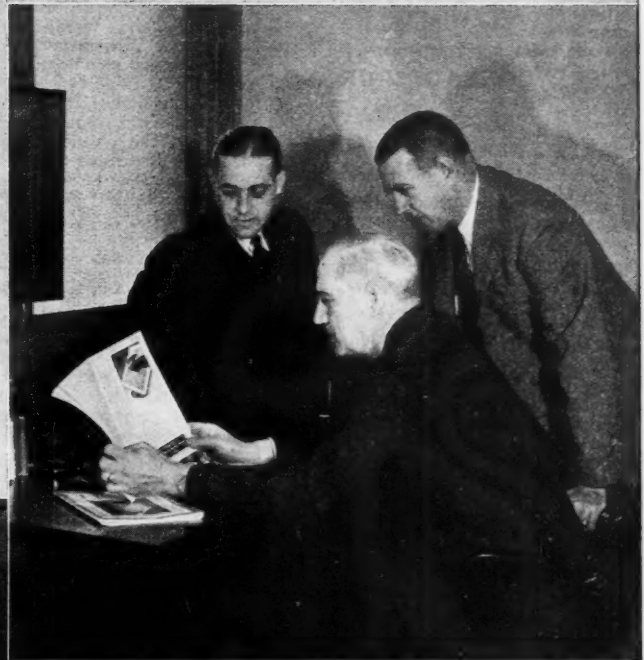
MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



LEADING AGENTS THROUGHOUT AMERICA SAY

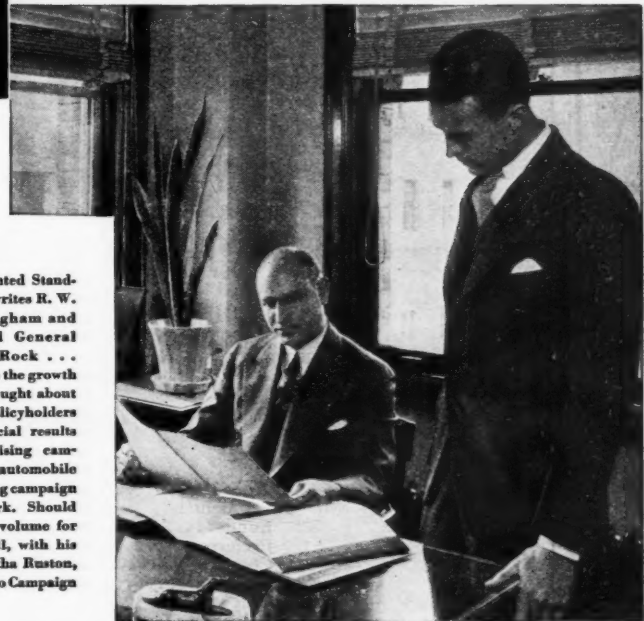
# "STANDARD SERVICE SATISFIES"



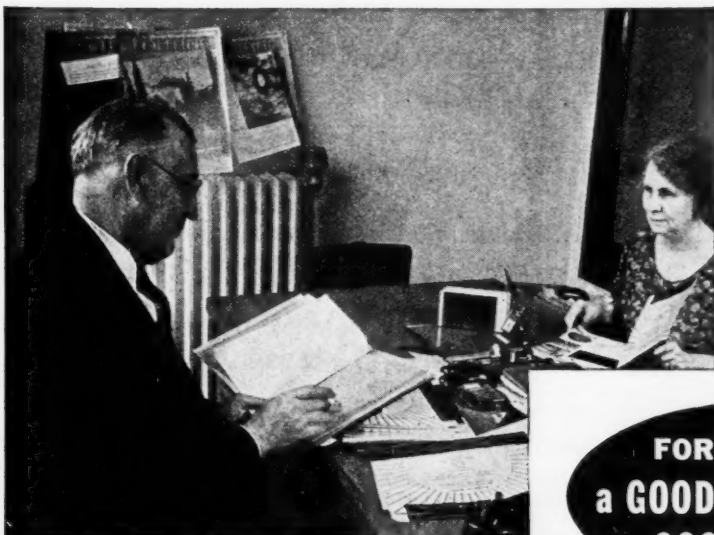
Root & Boyd, Inc., of Waterbury, Connecticut, are enthusiastic over Standard's 1935 national advertising campaign. Left to right are: W. H. Deacon, F. W. Brodie, President, and W. R. Gilman. They are reading Standard's recent ad in Time Magazine. "Congratulations on fine type of advertising," they say. "... have found ads helpful in solicitation of business . . . Standard's fair attitude in underwriting is a distinct asset to agents representing this fine institution."



Above photo shows Mr. Fell (left) and Mr. Pinkerton (right) of Fell & Pinkerton Company, General Agents at Omaha, Nebraska. "We review past eleven years served as General Agents with satisfaction. Cooperation, sound underwriting and strict adherence to the principles of the American Agency System make Standard truly an agency company and give meaning to the slogan, 'Standard Service Satisfies.' . . . highly pleased in manner you conducted our recent Accident and Health advertising campaign."



Fred Ginsburg, President of Fred A. Ginsburg & Company, General Agents for Standard at Detroit, is shown looking over the Sales Building Kit available to all Standard agents. With him is J. A. Sample, an assistant. "Standard executives are human," says Mr. Ginsburg, "they're always open to a discussion . . . always give a fair deal. The success of this agency is due to the splendid treatment I've received for my policyholders from Standard."



"... have represented Standard for 36 years," writes R. W. Newell of Cunningham and Newell, Standard General Agents at Little Rock . . . "watched with pride the growth of the company, brought about by fair dealing to policyholders . . . predict beneficial results from 1935 advertising campaign . . . Your new automobile insurance advertising campaign is an excellent work. Should result in increased volume for agents." Mr. Newell, with his secretary, Miss Bertha Ruston, is examining the Auto Campaign literature.

**FOR 51 YEARS  
a GOOD COMPANY for  
GOOD AGENTS**

## STANDARD ACCIDENT INSURANCE COMPANY OF DETROIT

All Forms of Casualty Insurance and Fidelity & Surety Bonds

Inquiries are Invited From Progressive Agents Everywhere

## Dunbar Suggests Plans for Future

Nebraska Agents Association Head  
Outlines Constructive Program  
in Address

### CLOSER CONTACTS URGED

Cooperation With Commissioner,  
Watchfulness for Unethical Practices,  
Legislative Work Recommended

Eleven suggestions for building for the future were made by President A. B. Dunbar of the Nebraska Association of Insurance Agents in his address at the association's annual convention held at Hastings. He suggested that agents whenever they are in Lincoln call on the insurance commissioner and discuss problems in their territory. The compensation insurance problem is a disturbing one today. Mr. Dunbar urged that the committee appointed to study the situation be continued, as he said also should the legislative committee. There are a number of changes needed to modernize present laws.

#### Makes Recommendations

All agents should keep their eyes open for unethical practices and if any are found report them to the officers for reference to proper committees for action. A committee of five to seven members selected from various sections of the state should be appointed to cooperate with the insurance commis-

sioner when necessary, he said. The state is large and it is difficult for the commissioner with limited funds at his disposal to ascertain all practices which are in violation of insurance law.

State and local association members should contact state representatives in the legislature and endeavor to have political insurance placed pro rata among agents in territories where the business originates. Adoption of this policy, he said, would eliminate company-agent disturbances such as recently caused enactment by the legislature of many amendments detrimental to the business. The state should be districted with contact or key men to advise on the political situation insurance-wise in various territories. A grievance committee of from five to seven members should be appointed to iron out agency and underwriting disagreements as they arise. Finally he urged that the association be incorporated.

#### Gives Year's Highlights

Mr. Dunbar touched on a number of events during his administration, one being successful negotiations over the practice of the receivership division of the state banking department in placing insurance on scattered banking properties in receivership through a Lincoln local agency, with loss of commission to local agents in towns where the banks were located. The practice has been discontinued and agent's gross commission on each risk in each town will be paid to the agent residing in the town where the property is located.

While company executives do not seem to be concerned over the Tremore-Cone state bonding bill, on account of small volume of business affected, Mr. Dunbar expressed belief the law would lead to other state insurance proposals at succeeding sessions of the legislature. He touched on the London Lloyds problem in Nebraska which ended in licensing Lloyds for certain lines. Mr. Dunbar said alertness on the part of agents will prevent London

## Some Reverberations of New York Agents Rally

M. S. Reeve, manager of the Liverpool & London & Globe office in New York, the banquet speaker at the annual meeting of the New York State Association of Local Agents at Syracuse, along with retiring Superintendent George S. Van Schaick of the New York department, gave imitations in dialect of the illiterate Negro preacher of the South Carolina vintage. Mr. Reeve and a brother have made some study of the peculiar dialect and slant of these southerners. Mr. Reeve's brother, who is a musician, has made special efforts to capture for posterity some of the favorite Negro tunes indigenous to the region.

Roy L. Duffus of the James Johnston Agency in Rochester, insurance salesman par excellence, is also leader of one of the largest Bible classes in his city.

Larry Daw, manager Syracuse division New York Fire Rating Organization, was listed on the program, "Larry Daw, by himself." Mr. Daw was doubtful of correct interpretation. Did it mean no

Lloyds from writing any except the classes for which they are licensed.

There followed the automobile fleet ruling of the commissioner. Mr. Dunbar said effectiveness of this will depend on agents reporting violations to the commissioner for action against companies and agents found to be rebating.

Another recent ruling prohibited acceptance of brokerage from an agent not licensed in the company with which he wishes to place the business. This causes considerable confusion among larger agencies, but Mr. Dunbar said has been effectively corrected by a new law. The Nebraska commissioner is markedly insurance-minded, he said, and interested in maintaining trade practices as they should be.

audience shortly after his introduction? An autobiography? An obituary? To the agent who refused to change a church form on the ground that the church was not a business, Mr. Daw quoted Christ as saying, "Know ye not that I must be about my Father's business."

\* \* \*

One morning session turned into a Bible quotation contest with Roy L. Duffus, F. L. Greeno, Edwin J. Cole and Larry Daw all acquiring themselves well.

\* \* \*

The attendance prize winners were E. C. Blake, Rochester; W. S. Cole, Syracuse, and Nelson Cramer, Rome. All prizes were products of Syracuse industries.

\* \* \*

In Syracuse it was insurance week. Fire and casualty men of the state were there Monday, Tuesday and Wednesday. The life insurance fraternity carried on through Thursday and Friday as the New York State Life Underwriters Association held its annual meeting.

\* \* \*

H. C. Brainard of H. C. Brainard & Co. agency in Spencerport, N. Y., had many of the delegates pointing to him as the ghost of Thomas A. Edison.

\* \* \*

C. Stanley Stults, Hightstown, N. J., president of the New Jersey association, was an interested observer.

\* \* \*

Charles H. Tuke, Rochester agent who spoke on automobile accidents, captured the newspaper publicity prize of the sessions. His questions were provocative. Mr. Tuke remembered that one could say many things in the form of a question which might have to be left unsaid in the form of a statement.

### Farm Department Publication

The "Band Wagon" is the title of a new publication published by the farm department of the America Fore in Chicago. Manager I. D. Goss plans to get out an edition quarterly. Mr. Goss has a talent for writing and he prepared a number of interesting articles of interest to farm agents and special agents. There are two pages of pictures of officials and executives in the farm department at their desks.

Reinsurance of Fire and Allied Lines

# NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

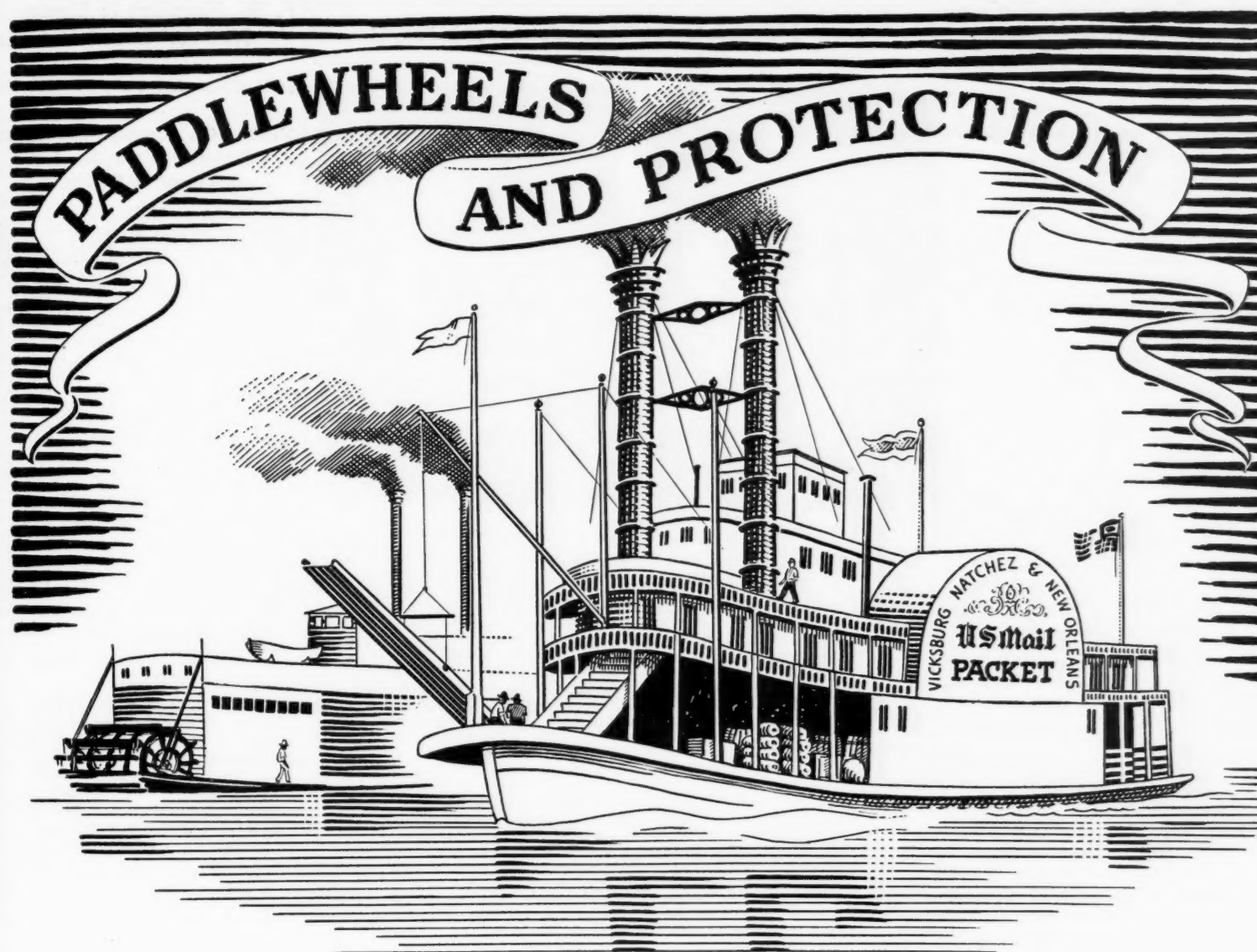
E. H. BOLES, Pres. • JESSE E. WHITE, Vice-Pres. • A. R. W. WANG, Vice-Pres. and Secy. • ROBERT B. CROFTON, General Agent

### Condensed Financial Statement, December 31, 1934

Assets	
Cash in Banks.....	\$ 276,917.26
Investments:	
Bonds.....	\$1,324,813.84
Preferred Stocks.....	139,200.00
Common Stocks.....	1,377,720.00
Mortgages.....	48,500.00
	\$2,890,233.84
Balances due from Ceding Companies (not over 90 days due).....	107,344.87
Accrued Interest.....	13,260.31
Other Admitted Assets.....	11,334.90
	\$3,299,091.18
Liabilities	
Reserve for Claims and Claim Expenses.....	\$ 264,897.22
Reserve for Unearned Premiums.....	873,474.27
Reserve for Commissions, Taxes and Other Liabilities.....	44,300.00
Capital Stock.....	\$ 600,000.00
Surplus.....	1,516,419.69
Surplus to Policyholders.....	2,116,419.69
	\$3,299,091.18

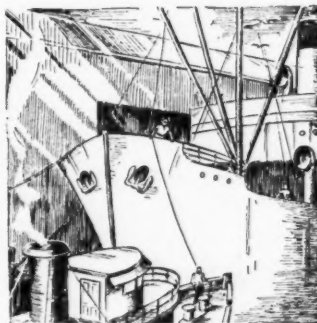
Bonds are valued on amortized basis; stocks at December 31, 1934 market quotations. The amortized value of bonds exceeds the value at December 31, 1934 market quotations by the amount of \$34,903.84. • Securities carried at \$31,169.68 in the above statement are deposited for purposes required by law.





When Companies of the Royal-Liverpool Groups first began serving the insuring public the city of New Orleans, with its hand on the pulse of the great Mississippi River system, was as foreign to Eastern America as Paris, France. Indeed, this so-called "Paris of the South" was, until the advent of steamboating, much less accessible than the European city.

Like the steamboat which brought transportation and commerce to this vast central domain, Royal-Liverpool Companies pioneered in bringing to it the security of insurance protection so vitally important to permanent progress.



The Liverpool & London & Globe Insurance Company Limited established what is now the oldest insurance office in New Orleans. Royal-Liverpool protection followed the paddlewheels of the packets to the farthest reaches of the rivers.

Famed steamboat ports of call—Natchez, Vicksburg, Memphis, Cairo, St. Louis, Dubuque, LaCrosse, St. Paul, on the Mississippi; Louisville, Cincinnati, Pittsburgh, on the Ohio; Kansas City, Omaha, Pierre, on the Missouri are only part of a long roster of American cities where Royal-Liverpool Companies pioneered sound insurance to the American people.

SPANNING THE YEARS WITH

# ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA  
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA  
FEDERAL UNION INSURANCE COMPANY • THE NEWARK FIRE INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA

## Stryker Relates Omaha Plan to Reclaim Auto Premiums

### ADDRESSES NEBRASKA AGENTS

#### Agreement with Auto Dealers Is Basis of Movement to Capture Financed Car Business

Ray F. Stryker, president Omaha Association of Insurance Agents, in his address before the meeting of the Nebraska Association of Insurance Agents, gave some suggestions on how local agents may regain automobile finance business.

The Omaha Association of Insurance Agents, he reported, has worked out a plan with the Omaha Motor Trades Association wherein the agents agree to patronize the members of the dealers' association in replacements and repair work, while the dealers agree to patronize agents. It is hoped that arrangements will be worked out whereunder the dealers will patronize local finance companies that will permit policies of the local agents to be filed.

#### Blanks Are Used

The agents have placed in the hands of dealers certain blanks to be filled in at the time a car is sold, and the blank is then handed to the buyer. This contains instructions to the purchaser to turn the blank over to the agent as it contains all information necessary to insure the car. The agent is asked to keep this card on file and in case of loss refer the replacement to the dealer that made the sale. The card contains the motto: "Your auto and your insurance should be purchased in Omaha."

A finance concern in Cedar Rapids, Ia., and one in Kansas City have recently entered business, setting out in their advertisement: "These finance charges are lower than other companies and do not cover insurance. Purchase your insurance from your own agent."

#### Inroads Have Been Gradual

He said the inroads of the finance companies have been gradual. The fighting spirit of agents had not been aroused until recently because the growth has been gradual. He pointed out it takes the combined total automobile premiums of the Home, St. Paul, Fireman's Fund and Hartford Fire to equal the \$16,000,000 written by the General Exchange last year.

The program to reclaim this business should involve education of customers and prospects to the benefit of dealing with the local agent and securing the cooperation of local automobile dealers through the local board.

The prospect should be told he will suffer short rate cancellation by letting the finance company handle the business. By patronizing the local agent he can get the new comprehensive form; his policy will definitely state the amount of protection, coverage granted and the premium, not just a certificate vaguely describing the coverage and usually in an amount greatly under the purchaser's investment. He will receive the services of the agent in defining and fitting the coverage to his needs together with the agent's service in case of loss. He will help the local community by purchasing a policy from the agent, keeping his money at home.

#### Winning Over Dealers

The dealers can be won over by an agreement to give them the business on automobiles which the agent insures that have been smashed, burned or from which accessories have been stolen. Proper protection and full recovery on a bad loss often means the sale of a new car, whereas often under finance contracts little more than the finance company's interest has been covered and the purchaser does not receive enough to buy a new car.

The financing and insuring of the car is handled through the dealer. The

## New President for Auto Body

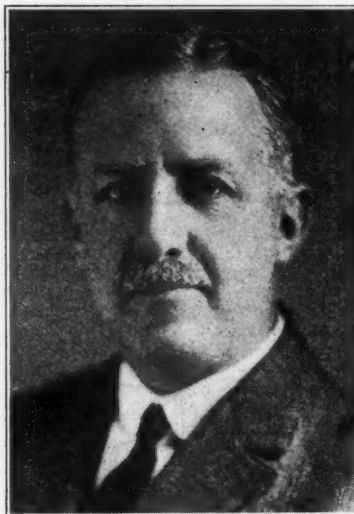


GUY E. BEARDSLEY

Guy E. Beardsley, vice-president of the Aetna Fire, has retired from the presidency of the National Automobile Underwriters Association, after having served for three years. He was president of the old National Automobile Underwriters Conference and was chairman of the committee that directed the reorganization into the present body. The newly elected president is C. A. Nottingham.

Having served as vice-president of the association last year and previously as a member of its executive committee, Mr. Nottingham is well informed as to the problems now before the organization, and his knowledge of field conditions, plus the possession of a rare degree of tact, will aid materially in their satisfactory solution.

Mr. Nottingham is a member of the advisory committee of the Railway Insurance Association, of the executive committee Cotton Insurance Association,



C. A. NOTTINGHAM

tion, arbitration committee Southeastern Underwriters Association, Eastern Underwriters committees on Baltimore, Philadelphia, Philadelphia suburban, New Jersey conference committee, National Board committee on construction of buildings, the board of governors of the Middle Department Rating Association and the executive committee Underwriters Salvage Company of New York.

Beginning his insurance career at the head office of the Central of London, now a member of the L. & L. & G. fleet, in 1903, Mr. Nottingham was successively advanced from one important post to another by the ownership corporation. In 1921 he was appointed manager of the eastern department of the Liverpool & London & Globe in this country, being promoted to his present post as assistant United States manager of the Royal-Liverpool groups some years later.

## Insurance "Ad" Conference Meets, Convention Date Set

NEW YORK, May 29.—At the mid-year meeting of the Insurance Advertising Conference here today, with President C. A. Palmer, North America, presiding, it was decided to hold the annual meeting at the Westchester Country Club, Rye, N. Y., Sept. 16-18. Col. H. P. Dunham, present Connecticut insurance commissioner, will be one of the speakers.

Reports were presented by the treasurer, A. H. Reddall, Equitable Life of New York, and the membership committee, which showed a net gain of six members this year.

The meeting then divided into classes for discussion, Leslie Lewis, Agricultural, presided over the fire and casualty group; A. H. Reddall, the life session, and Thomas Kane, president Spectator Company, conducted the meeting for Class B members. Following the luncheon two motion pictures were shown, the Aetna Casualty film, "A Bad Master," and the Metropolitan Life's "Once Upon a Time."

Speakers in the afternoon were Vash Young, Marlen E. Pew, editor of "Editor and Publisher," and Guy Gaylor Clark. A. W. Nelson of the National Board had charge of preparing the program.

purchaser looks to the dealer in the event of any disagreement with the finance company in a loss adjustment, often causing dissatisfied customers.

The dealer should encourage placing insurance locally, thus benefiting those to whom he hopes to sell automobiles.

## Taylor Elected President of N. Y. Insurance Society

Courses to meet the requirements of those desiring to become brokers in New York under the new apprenticeship law are being arranged by a committee of the Insurance Society of New York, it was made known at the annual meeting of the society. Under the new law no one may take an insurance department examination unless he has passed a course in insurance recognized by the Insurance Society of New York or the Insurance Institute of America or has been employed at responsible duties in the office of a broker or company for one year.

The officers, recommended by the nominating committee were elected. The president is C. G. Taylor, Jr., Metropolitan Life; first vice-president, J. W. Russell, Aetna Fire; second vice-president, W. E. McKell; secretary, E. R. Hardy, and treasurer, F. F. Koehler of Koehler & Koehler. New directors are M. C. Fisher, Metropolitan Life; J. J. King, Hooper-Holmes Bureau; R. C. Neuen-dorfer, Guardian Life; C. D. Sheffe, London Assurance, and C. J. Stephan, Metropolitan Casualty.

Mr. Hardy reported there has been a decrease in membership because those delinquent in dues were thrown out. There are plans for a course of lectures at the chamber of commerce during the year and for a dinner meeting. In the educational courses 203 lectures were delivered by 110 persons. There were 1,001 students and 670 took the examinations.

C. G. DuBois has been elected a director of the Pacific Fire.

## F. W. Koeckert Is Elected National Board President

### SOMMERS IS VICE-PRESIDENT

#### Members Get Conception of the Year's Activities in the Numerous Committee Reports

Having served as president of the National Board for two successive terms, W. H. Koop, president of the Great American, was replaced by F. W. Koeckert, United States manager of the Commercial Union, at the annual meeting. Paul B. Sommers, president American of Newark, who has been chairman of the executive committee, was advanced to vice-president. Sumner Ballard was reelected as secretary; B. M. Culver, treasurer; W. E. Mallieu, general manager, and C. H. Lum, assistant general manager.

To fill vacancies on the executive committee created through the retirement of five members whose terms expired, the following were chosen: F. B. Luce, vice-president Providence Washington; J. R. Cooney, president Firemen's; J. H. Vreeland, United States manager Scottish Union; Gustavus Remak, Jr., president State of Pennsylvania, and E. W. Nourse, United States manager London Assurance. Esmond Ewing, vice-president and secretary Travelers Fire, was elected to fill the unexpired term of his former chief, the late R. H. Williams.

#### Continuing Members Named

The continuing members of the committee are: O. E. Lane, president Fire Association; R. R. Martin, United States manager Atlas; Hart Darlington, United States manager Norwich Union; F. W. Sargeant, president New Hampshire; W. Ross McCain, president Aetna Fire; J. O. Platt, vice-president North America; C. F. Shallcross, United States manager North British & Mercantile; Ray Decker, Pacific Coast manager Royal-Liverpool, and R. P. Barbour, United States manager Northern of London.

The committee selects its own chairman and will do so at an early date.

Attendance was fully up to that of former years, executives of prominence being on hand from all parts of the country. Commissioners Dunham of Connecticut, Mauk of Texas, and Deputy Commissioner Gough of New Jersey were present, as was also former Michigan commissioner, J. Victor Barry.

The proceedings were conducted according to program, save that committee reports were presented in advance of instead of subsequent to the address of the president.

A resolution submitted by James Wyper, vice-president Hartford Fire, and a former president of the National Board, paying tribute to W. E. Mallieu for his 25 years service as general manager, was adopted by rising vote.

Through the presentation of committee reports the members were advised of the activities during the year. The reports of the actuarial, incendiary and arson and the laws committee elicited particular attention by virtue of their importance.

In the 69 years of existence the National Board has grown steadily in membership, in the value of service to fire insurance and to property-owners. Throughout that long period it has been directed by men of exceptional capacity, and to the list of leaders who successfully occupied the presidency, Mr. Koeckert will prove a worthy addition.

#### Grand Rapids Branch Moves

The Grand Rapids branch office of the Underwriters Adjusting will move June 1 from 420 Federal Square building to 701 Association of Commerce building. D. I. Priest is manager.



## List Program for Annual Meeting of Georgia Agents

### TWO-DAY CONFERENCE PLANS

W. Owen Wilson of Richmond, Va., Will Represent the National Association of Insurance Agents

ATLANTA, May 29.—Announcement of the program for the annual meeting of the Georgia Association of Insurance Agents to be held at the Piedmont Hotel here June 14-15 is made. The local committees are:

General committee: J. Adna North, chairman; Milton Dargan, Jr., and Joseph Lazear. Entertainment: James Dunlap, Geo. Brown and Sam Mangham. Registration: Dan I. MacIntyre, Jr., chairman; John S. Whaley and Fort Adams. Finance: H. J. Haas, chairman; W. R. Hoyt, Jr., and A. L. Potter.

The program is:

#### Thursday, June 13

Meeting of executive committee, 6:30 p. m.

#### Friday, June 14

Welcome from Atlanta Association, Irwin Wootton.

Report of the Administration, H. C. Arnall, president, Newnan.

Report of the Secretary-Treasurer, N. A. Way, Brunswick.

Report of the Membership Committee, A. A. Cooper, chairman, Rome.

Report of the Executive Committee, H. J. Haas, chairman, Atlanta.

Explanation of agreement between companies and Home Owners' Loan Corporation. Open discussion conducted by W. Owen Wilson, member National executive committee, Richmond, Va.

#### Afternoon

Discussion of Comprehensive Automobile Policies, conducted by John Dillard, Fireman's Fund.

Business Development, address by M. E. Sprague, assistant secretary Home of New York.

Report of Legislative Committee and discussion of new Agency Qualification Bill, Dan I. MacIntyre, Jr., chairman, state association legislative committee. 7 p. m., get-together dinner.

#### Saturday Morning

Executive session.

Report on Southern Agents Conference, H. C. Arnall, president.

Report of committee on resolutions.

New business.

Report of nominating committee and election of officers.

1 p. m., S. E. U. A. barbecue.

## New Hobbs Bill Introduced

### Unlicensed Companies Would Be Required to Get Permit From Securities & Exchange Commission

Congressman Hobbs of Alabama has introduced a new bill in Congress known as House Bill 8207, making it unlawful for any insurance institution to use the mails to solicit or effect insurance or collect or transmit premiums in any state without first securing a permit from the Securities & Exchange Commission of the United States. Congressman Hobbs introduced the famous Hobbs bill providing that no company could use the mails in any state if it were not regularly licensed. This brought out opposition from many sources and the bill was killed in the committee.

#### Requirements Are Made

Under the new bill companies are required to comply with the insurance laws of the state where insurance is carried on. The section, however, will not apply to newspapers, magazines nor periodicals of general circulation nor to reinsurance contracts nor to any individual, partnership or corporation holding a permit issued by the Security & Exchange Commission. The purpose of the act is to prevent the use of the

mails to concerns which are regarded as unsafe so that the public may be protected. The penalty for violation is a fine of not more than \$5,000 and imprisonment for not more than two years or both.

The House committee on postoffices and post roads held an executive session ten days ago, reviewing the experience encountered with the previous Hobbs bill. Despite the formidable opposition that arose in connection with the first proposal, the congressmen were impressed with the fact that the people under present conditions are not protected as they should be and the feeling was strong that some measure should

be enacted that would give the federal government power to regulate companies doing business in states where they are not licensed. The new Hobbs bill therefore was drafted hoping that it would not arouse the opposition that the first one did.

### To Leave Minnesota Office

ST. PAUL, MINN., May 29.—C. R. Diepenbrock, former deputy insurance commissioner who has been serving in a special capacity under Commissioner Yetka, is now slated to leave the department in June. It is understood Commissioner Yetka wishes to extend

Mr. Diepenbrock's tenure of office but the administration and finance commission which created the post for Mr. Diepenbrock when Dewey Johnson was made deputy commissioner has notified Commissioner Yetka that the position will be terminated in June.

### Miscellaneous Notes

The *National Liberty* has been licensed in British Columbia to write inland marine and personal property.

H. C. Partee, office manager of the W. A. Reisert & Co. agency, Louisville, died there after an illness of two months. Mr. Partee had been with that agency 14 years and prior to that was with the agency of the late John J. McHenry and other agencies.

## This Company started business



HOW CHICAGO APPEARED IN 1865

70 Years  
Ago . . . . .

The story of the Millers National is linked with the romantic growth of our nation. The conquest of the West began in real earnest in 1865, and Millers National, seated at the crossroads of America, soon swung into full league stride.

In the seventy years following, the Company has built up a nation-wide agency organization, and has achieved national prestige as one of the strongest companies in the fire insurance field.

It has faithfully adhered to its honest purpose of giving prompt and satisfactory service and settlements, and behind its services are fine old traditions grown out of seventy progressive years of experience.

Positive protection . . . Prompt friend-making  
payment of claims . . . Good service through sales  
helps, broader writing facilities . . . Satisfying  
commissions . . . All these things are yours with  
the Millers National. Write for complete details  
. . . absolutely no obligation.

1865  1935

## MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

Seventy Years of Service and Security

## AS SEEN FROM CHICAGO

### JOHNSONS HOLD RECEPTION

A reception was held by Sam T. Johnson and Harry T. Johnson last Saturday in the new and larger quarters of the Globe & Rutgers in Chicago in A1622 Insurance Exchange building. The Johnsons have supervision over several middle western states for the company, with headquarters in Chicago. They have many friends in field and agency ranks and many well-wishers visited the office during the day. Among the visitors was Richard Arlen, the famous motion picture actor.

### PERSSON RETURNS FROM EUROPE

A. T. Persson, an associate in the adjusting firm of Wagner & Glidden, Chicago, has returned to his office after an eight weeks' sojourn with his wife in Europe. They visited Germany, France and Denmark, spending over three weeks in London visiting officials of the London office of Toplis & Harding and other insurance people. Mr. Persson reports business conditions insurance-wise in London are comparable to those in this country. Competition

for the premium dollar is keen in view of favorable loss experience, especially in fire insurance.

### SCHOENBERG IN NEW QUARTERS

P. M. Schoenberg, well known Chicago independent adjuster, has moved to more commodious quarters in A-1406 Insurance Exchange, Chicago, the move being necessitated by increase in the staff adjusters. Next year Mr. Schoenberg will celebrate his 20th anniversary as adjuster in Chicago territory. Formerly he was associated with the Travelers, Frank L. Erion & Co., and Arthur L. Ladd & Co., all of Chicago. In 1928 he opened his independent adjusting offices, and handles all fire, marine, casualty, burglary and automobile adjustments.

### CHANGES IN W. U. A. MEMBERSHIP

There have been some changes in membership of the Western Underwriters Association. Following the retirement of Percival Beresford, head of the Phoenix of London group, J. M. Haines, who is United States manager

of the London Guarantee & Accident, and United States attorney for all the Phoenix interests, applies for membership as does T. J. Irvine, United States manager of the Phoenix, and J. A. Bennett, general agent in charge of the west. D. H. Moore, assistant secretary, and Leonard Peterson, secretary of the Home of New York, are to become members and C. P. Jervey, secretary of the Travelers Fire, is also taking a membership.

### COOK COUNTY FIELD OUTING

The Cook County Field Club will hold a golf tournament June 14 at Nippersink. The committee consists of William Uraba, London & Lancashire, chairman; Myron Pederson, Glens Falls, and S. B. Fabans, Northern Assurance.

### COMPLETE PLANS FOR OUTING

The fellowship committee of the Chicago Board at a meeting Wednesday completed plans for the annual golf tournament and outing of the Board at Big Foot Country Club, June 11.

### STUDY QUESTIONNAIRE REPLIES

Sessions are being held this week by a Chicago Board subcommittee to review the answers to the questionnaire recently sent to class 1 members. Allan I. Wolff is chairman of the subcommittee. The questionnaire was intended to reveal precisely how much authority the various class 1 members exercise and how independent they are. The committee will seek to determine whether new membership qualification legislation is desirable in order to provide that class 1 agents shall exercise metropolitan supervising powers in the real sense of the term. The subcommittee will present whatever legislation is regarded as desirable to the committee which was appointed last year to study Chicago Board problems. That committee is headed by Charles Buresh, president of the board.

### SALUTE COL. BICKHEART

D. A. Bickheart of Chicago, Cook County special agent of the Phoenix of Hartford group, has been given military recognition by Governor Laffoon of Kentucky and he is now certified to as a bona fide colonel on the Blue Grass gubernatorial staff. Col. Bickheart has been connected with the Phoenix office for some 20 years. He is prominent in his suburb, Maywood, especially in work of the American Legion and Masonry. He is one of the crack fishermen in the Cook County ranks.

### NAME CONFERENCE COMMITTEE

Directors of the Chicago Board have appointed a temporary conference committee to confer with a similar committee of the Western Underwriters Association on matters relating to the joint legislation of the two organizations which becomes effective July 1. The committee consists of Charles Buresh, president Chicago Board; O. E. Aleshire, of Parker, Aleshire & Co., J. I. Naghten, president of John Naghten & Co., and L. E. Yager, of L. E. Yager Co. Permanent committees later probably will be named to consider ways and means of enforcing the joint program.

The governing committee of the Western Underwriters Association Tuesday designated a temporary conference committee to deal with a similar committee from the Chicago Board in pursuance of the revised Board program which becomes effective July 1. The W. U. A. committee is the same one that conferred with Chicago Board leaders and worked out the program that was finally decided upon in lieu of separation. C. R. Tuttle, North America, is chairman. The other members are E. A. Henne, America Fore, and W. D. Williams, Security of New Haven.

A Board committee on fines and penalties was named: One year term—J. C. Harding, J. I. Naghten, August Torpe, Jr.; two year term—A. W. Jenkinson, J. I. Loeb, C. W. Ohlsen. The

committee on appeal which was appointed is: One year term—W. N. Achenebach and R. M. Cunningham; two year term—W. L. Bennett and R. M. Magill.

### LININGER AT GALION, O.

W. H. Lininger of Harding & Lininger of Chicago, western managers of the Springfield F. & M., is spending part of this week at his ancestral home at Galion, O. He and Mrs. Lininger motored to Galion. He was born in that place in 1862. Mr. Lininger lived in the town until he was eight years of age and then his parents moved to a farm owned by his Grandfather Harding, about three miles from Galion. There he spent the most of his boyhood. That farm was owned by the father of the late Major A. J. Harding, who founded the western department of the Springfield. Mr. Lininger's mother and Major Harding were brother and sister. Later on Mr. Lininger came in possession of the old Harding farm but subsequently sold it. He is therefore renewing old associates and is drinking at the fountain of youth.

Carl F. Warneke, assistant cashier of the Underwriters Salvage Company of Chicago, is in the Deaconess hospital in his city recovering from a serious operation.

## NEW YORK NEWS

### HAUPTMANN LAWYER IS HEARD

E. J. Reilly, who was chief counsel in the defense of Bruno Hauptmann, convicted of the kidnaping of the Lindbergh baby, was the speaker before the Insurance Square Club of New York.

### STURGIS HEADS EXAMINERS

L. H. Sturgis, Royal Exchange, was elected president of the Fire Insurance Examiners Association of New York at the annual meeting. The vice-president is J. A. Stafford, Franklin; secretary, E. O. Zorn, Yorkshire; recording secretary, W. F. Moore, North British & Mercantile, and treasurer, W. Cuddy, Commercial Union.

Entertainment was provided by Nick Kenny, radio editor of the "Daily Mirror." The retiring president is W. Kurz of the Home.

### HONOR IS PAID MALLALIEU

To attest their esteem for the professional and personal qualities of W. E. Mallalieu, for the past 25 years general manager of the National Board, fire and casualty company executives, supervising state officers and others directly connected with insurance affairs tendered him a dinner in New York last Thursday evening. Earlier in the day the honor guest heard members of the National Board at their annual gathering express their appreciation of him, and what he has done. Those sentiments were repeated with emphasis at the banquet table.

B. M. Culver, president America Fore group, acting as master of ceremonies, introduced as speakers F. W. Koeckert, Commercial Union, newly elected president of the National Board; J. J. Kenlon, for 25 years prior to his retirement in 1932 chief of the New York fire department; L. H. Pink, recently appointed New York superintendent of insurance, and Harold Warner, Royal-Liverpool & London & Globe, each of whom paid tribute to the honor guest. The career of Mr. Mallalieu was outlined by Mr. Koeckert.

Chief Kenlon told of his first association with Mr. Mallalieu years ago, and

**Wanted: To purchase outright or interest in an established insurance agency in Ohio. Address with full information. R. F. RENFRO, 3344 Grenway Rd., Cleveland, Ohio.**

## 225<sup>TH</sup> ANNIVERSARY



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AND SQUARE DEALING SINCE 1710

## SUN INSURANCE OFFICE, LTD.

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FOUNDED 1710

Sun Underwriters Insurance Company of New York  
Patriotic Insurance Company of America  
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FIRE  
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WINDSTORM  
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EXPLOSION  
RIOT & CIVIL COMMOION  
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RENTS & RENTAL VALUE  
LEASEHOLD  
INLAND MARINE  
OCEAN MARINE

TOURIST FLOATER  
SALESMEN'S FLOATER  
YACHT AND MOTOR BOAT  
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MERCHANDISE IN TRANSIT  
via Truck, Rail or Steamer  
(Annual or Trip Policies)

HEAD OFFICE: 55 Fifth Ave., New York  
O. Tregaskis, U. S. Manager

WESTERN DEPARTMENT  
309 W. Jackson Blvd., Chicago  
Chas. W. Ohlsen, Manager

PACIFIC COAST DEPARTMENT  
San Francisco, Cal.  
Swett & Crawford, General Agents

MARINE DEPARTMENT  
111 John St., New York  
Wm. H. McGee & Co., Inc., Gen. Agts.

SUN INDEMNITY COMPANY  
55 Fifth Ave., New York  
F. I. P. Callos, President



of the eagerness displayed by the latter to cooperate in whatever might make for increased fire protection in the metropolis. In season and out, the chief said, Mr. Mallalieu preached the gospel of fire safety, both from a humanitarian and from a business standpoint, and his zeal in such connection never faltered. A resolution was offered at the annual meeting of the National Board in tribute to Mr. Mallalieu by James Wyper, vice-president of the Hartford Fire, and adopted by a rising vote.

As an individual gift from C. F. Sturhahn, president of the Russia, Mr. Mallalieu received a handsome silver vase, together with 25 American Beauty roses. Employees of the Pacific Coast office expressed their feeling toward their chief through the presentation of a fine etching of a section of the Monterey coast line.

Mr. Mallalieu was deeply affected at the evidences of feeling manifested toward him, and found difficulty in voicing his appreciation. His connection with the National Board for 35 years, he said, had been a source of constant pleasure in that it had given him contacts with men of exceptional ability from all of whom he had learned much.

#### ALL OFFICERS ARE REELECTED

Paul L. Haid, president, and all other officers of the Fire Companies Adjustment Bureau, were reelected at the annual meeting. The vice-president is Harold Warner, United States manager Royal-Liverpool; secretary, W. E. Hill, and treasurer, N. B. Bassett. G. W. Lilly continues as general manager.

T. J. Irvine, the new United States manager of the Phoenix of London, was elected a director to succeed Percival Beresford, the retiring U. S. manager. All other directors, whose terms were expiring, were reelected.

#### PETERS VISITS IN CANADA

K. K. Peters, general manager Northern Assurance, is now in Canada, visiting its chief representative in that country. He will likely return to New York City within a few days, sailing for London early in June. Before crossing the northern border Mr. Peters, in company with R. P. Barbour, United States manager of the Northern, traveled to the Pacific coast and acquainted himself with conditions in that important territory.

#### WILLIAMSON SAILS FOR HOME

E. H. Williamson, general manager at the head office of the Norwich Union Fire in England, who has been on this side for a number of weeks, sailed for home this week. He toured the United States and Canada, getting in touch with Norwich Union people.

#### MONROE GOES TO HOME OFFICE

D. E. Monroe, assistant United States manager of the Commercial Union, accompanied by Mrs. Monroe, will sail from New York on the "Berengaria"

May 30 for a visit to the home office in London. He expects to be away six weeks, planning a jaunt to the ancestral home of the Monroes in the neighborhood of Aberdeen, Scotland, at the conclusion of his London visit. Mr. Monroe had been looking forward to a trans-Atlantic voyage for ten years.

#### WALLER BACK FROM TRIP

Arthur Waller, United States manager of the Royal Exchange, has arrived in New York from his visit to the home office, his first trip to the other side. During his stay in London he witnessed the jubilee exercises commemorating the 25th anniversary of King George's accession to the British

throne, after which he spent a few days in rural England and in a section of Wales.

#### SCHRAM LEAVES PUBLICATION

After close to 15 years' association with the "Weekly Underwriter" of New York as editor of its fire and motor vehicle department, W. E. Schram has severed his connection with the publication. Of extended experience in newspaper work, Mr. Schram is a hard news seeker and a highly competent writer. Moreover, he is widely known to underwriters both in home offices and in the field, and enjoys their confidence to a marked degree. His home is at 67 North 9th street, Newark, N. J.

## NEWS OF FIELD MEN

### Wisconsin Field Is Divided

Hitchon, Snyder, Hutchinson and Badenhop in Charge as State Agents of Territories

Wisconsin has been divided in four sections, each under direction of a state agent, by the North British & Mercantile fleet in order more intensively to supervise the territory. The northern territory will be in charge of R. C. Hitchon, with headquarters at Marinette. J. E. Snyder will look after the southern field, traveling out of Milwaukee. The eastern territory is to be under jurisdiction of C. W. Hutchinson, also operating from Milwaukee. The western section will be supervised by W. J. Badenhop, with headquarters at Eau Claire.

Special Agent H. P. Schultz will assist State Agents Snyder and Hutchinson in their fields, having headquarters in Milwaukee.

State Agent G. G. Wright will devote his time to loss work and other matters calling for attention. All are seasoned field men who have been connected with the North British for a number of years.

### Pickens to Phoenix

Glen L. Pickens has been appointed special agent of the Phoenix of Hartford in Iowa, resigning as special agent of the Royal-Liverpool in Indiana. Mr. Pickens went to Indiana from Iowa, his native state.

### Missouri-Kansas Meeting

A joint meeting of the Missouri and Kansas Field Clubs of the Western Insurance Bureau was held in Kansas City, Mo., last week. All officers were reelected. John Battershill, state agent Firemen's group, is president and Clyde Tindall, state agent Firemen's, is secretary-treasurer of the Missouri Field Club. H. B. Brown, special agent of Northwestern National, is president and J. Y. Dickerson, of the Firemen's, is

secretary-treasurer of the Kansas Field Club. Round table discussions were held.

### Mooney Goes to Oklahoma

Warren E. Mooney, who has been an examiner in the western department of the Springfield F. & M. group in Chicago, has been appointed special agent in Oklahoma. The rain and hail department of the Springfield is handled by J. B. Cullison, Jr., of Chicago, and the branch office at Wichita, Kan. Herbert K. Lininger of Oklahoma City is state agent of the Springfield and C. M. Smith and Mr. Mooney are special agents.

### N. J. Special Agents' Outing

The outing and annual meeting of the New Jersey Special Agents Association will be held at the Suburban Country Club, near Elizabeth, N. J., June 3.

### Liquor Industry Discussed

NEWARK, May 29.—"The Liquor Industry" in the fire insurance field was discussed at length at a dinner meeting of the New Jersey Field Club here on Monday by J. E. T. McClellan, superintendent rating and inspection department of the Schedule Rating Office of New Jersey.

### Spencer Gets More Territory

State Agent N. L. Spencer of the North British & Mercantile group, effective June 1 will have supervision of the eastern division of the northern peninsula of Michigan, in addition to his other field. He will be assisted by Special Agent L. N. Goodall, both operating from Lansing. The territory was previously traveled by State Agent R. C. Hitchon, who will now supervise northern Wisconsin.

### Plans for Minnesota Meetings

ST. PAUL, May 29.—Program details for the joint annual meeting of the Minnesota Underwriters Association,

Blue Goose and Minnesota Fire Prevention Association at Alexandria June 20-21 are practically complete.

There will be contests in archery, fishing, clock golf, ping pong, rifle and trap shooting. Arrangements are in the hands of committees headed by H. B. Lucky, underwriters association; Paul Zoelzer, Fire Prevention Association, and Austin Fields, Blue Goose.

The three groups will hold separate business meetings and elect officers.

L. C. Storey, state agent of the Globe & Rutgers Fire of Ohio, has moved his office to 5 West Broad street, Columbus.

### Travelers' Whirlwind Campaign

Probably the most pretentious campaign in behalf of windstorm insurance production that has ever been undertaken by a company is now being conducted by the Travelers Fire. It is entitled, "A whirlwind campaign." The first mailing to the agent was a "teaser" postcard saying, "Make the next windstorm blow some business your way."

The second mailing, a week later, was a folder entitled, "A whirlwind campaign." It contained a wide variety of material from which the agent could build his own campaign for the sale of windstorm insurance.

The third mailing, a week later, was a blotter, "Use this to blot your signature on Travelers windstorm policies."

Material was provided for the agent to use in practically every popular means of advertising: Leaflets and letters to mail, posters and cards to display, a novelty to deliver in person, "ads" for local papers, motion picture slides, copy for radio talks. More than 30 different items are offered, from which the agent can make selection. An eight page illustrated, cartooned newspaper was in the folder entitled, "Windstorm World."

### Extend Madison Binder

MADISON, WIS., May 29.—Voting to extend its 30-day binder on fire insurance policies for another 30 days, the city board of education will continue the \$342,000 of fire insurance on public school buildings while an audit is being made of the appraisals of the buildings made two years ago to determine present replacement costs. Two contractors and an architect will conduct the audit, which is to determine the possibility of reducing present insurance coverage. Local agents readily agreed to extend the binder on the expired insurance pending further decision on renewal by the school board. The remainder of the \$2,800,000 in insurance carried on the schools expires in the next two years. The present appraised valuation is about \$4,000,000. Premiums under a three-year plan are about \$5,500.

### Move into New Quarters

The St. Louis Fire & Marine and General Insurers, general agency, have moved into new quarters on the ninth and tenth floors of the Insurance Exchange building, St. Louis.

## INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

ASSETS OVER \$800,000.00

Writing

### AUTOMOBILE

All Lines in One Policy

### FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy  
Excellent reinsurance facilities

### PLATE GLASS

Unexcelled contracts

### SPECIAL AGENTS

ERNEST NEWHOUSE  
HAROLD H. WELLS  
EMERSON NEWHOUSE

Riley 6452

8 East Market St., Indianapolis

HOW about an agency contract with a Company that will help an agent when help is needed?

## Use & Occupancy Decision Is in Favor of the Assured

### POINT ARISING IN THE CASE

Contention Made by Companies That  
Sufficient Insurance Was Not  
Carried by the Store

BIRMINGHAM, ALA., May 29.—The issue of just how much use and occupancy insurance a business concern should carry was involved in a verdict in federal court here awarding Loveman, Joseph & Loeb, department store, \$175,594 including interest, in a suit against 18 companies with a total coverage of \$207,000. Cases against 10 other companies involving about \$93,000 coverage will be tried in June in the state court.

Attorneys for the mercantile concern, whose store was destroyed by fire in March, 1934, contended that the policies covered all charges obligated for by contract, including salaries of executives, managers and other important employees and all charges that of necessity could not be dispensed with or discontinued.

The case was carried to court when the companies asserted that the store should have carried insurance equal to projected gross profits for the year, less the ordinary payroll, light, heat and power, and that failing to carry such insurance became co-insurer to the extent of the difference, thereby considerably reducing the amount of the recovery.

On the other hand the department store contended it was only required to carry coverage equal to projected net profits for the year plus items of expenses that must of necessity continue. In taking this stand the store asserted it could not be called upon to pay premiums upon items such as newspaper advertising, rents, depreciation of building and fixtures and other charges which it was contended there was little if any chance to recover for.

The jury apparently largely took the viewpoint of the store, thus broadening the application of use and occupancy insurance.

## Late News from the Casualty Field

### Commissioner Yetka to Speak

ST. PAUL, May 29.—Frank Yetka, insurance commissioner, has accepted an invitation to participate in the round table discussion that will feature the annual meeting of the Minnesota Insurance Federation June 4. This will be in lieu of any speech-making and will afford the commissioner an opportunity to make known his views on some of the more important questions confronting the business.

### Ouster Order Is Entered

Circuit Judge Burke in Chicago has entered a decree of ouster against the American Travelers Health Association of Chicago. This was a concern organized "not for profit," but the insurance department contended it was in the insurance business. It had some sort of a hook-up with the Modern Life & Accident, an assessment concern of Chicago.

### Jersey Bus Bills Signed

Three New Jersey bus insurance measures have been signed by Governor Hoffman. The public utility commission is given power to reject any policies in insurance companies which it feels are not entirely financially responsible. Another law fixes the insurance requirements for buses operating entirely within the limits of New Jersey and the

## Notable Tribute Paid to Mrs. Nora Vincent Paul



MRS. NORA VINCENT PAUL

The National Surety in its agency bulletin or house organ, "The National Field Man," pays a notable tribute to Mrs. Nora Vincent Paul of New York City, eastern vice-president of THE NATIONAL UNDERWRITER, one of the very successful business women of the country. It is unusual for a company paper to select anybody in the field of insurance newspaper work for comment. Mrs. Paul, in her work for THE NATIONAL UNDERWRITER, has made a name for herself in all sections and has taken a place alongside the most successful men in her special field. The "National Field Man" says:

"Some years ago a friend of ours was bereft of her husband, leaving her the sole support of her young daughter. Taking up the work of field representative of a trade journal, by sheer determination and grit and power of intellect she carried on, expanding and enlarging the scope of her activities until today she is an outstanding executive in the field of journalism. Undaunted by handicaps that would have stopped the strongest man, giving no quarter and expecting no favor in competition, she simply went about her job of making good and of creating her own prosperity. We bow in homage to a real businesswoman who is, withal, a solicitous mother, a gracious hostess and a staunch and loyal friend to those who know her best. This jittery old world needs more people of the courageous type of Nora Vincent Paul."

### Rawlings Again President

NEW YORK, May 29.—At the annual meeting of the Western Sprinkled Risk Association here, these officers were chosen: President, Ralph Rawlings, Monarch Fire; vice-presidents, H. J. Thomsen, Corroon & Reynolds; J. C. Hiestand, Ohio Farmers, and L. P. Tremaine, Pacific Fire; treasurer, H. M. Giles, Millers National, secretary-manager, R. L. Rumbaugh.

third requires all interstate buses receiving and discharging passengers in New Jersey to carry adequate coverage. The measures do not affect taxicabs and school buses or small vehicles carrying six passengers or less within the confines of a single community or jitneys which operate on Pacific avenue in Atlantic City and in Washington street, Hoboken.

Interstate buses with a capacity for more than 12 must carry \$5,000 for one person and \$50,000 for more than one person. Buses operating within the state must carry \$5,000 for one person and a graded amount for more than one according to capacity.

## Chance for Ordinary Agent in the Air Insurance Line

### BOOKLETS OUTLINE COVERAGE

Questions That Might Be Asked Are  
Answered by Aero Insurance  
Underwriters

The Aero Insurance Underwriters have published a series of pamphlets. One gives the approximate cost of the various coverages. Another answers most of the questions which a student would ask. Another shows where prospects can be found, why they should buy, illustrates the relative cost of aviation insurance as compared to the cost of insurance on original mercantile risks such as fire rates on country clubs, windstorm and theft rates country-wide, liability rates on taxis. That it is today a normal class of business for agents to handle is quite clear.

At the same time it issued a revised manual and an enlarged and revised edition of its "Questions and Answers" booklet.

### Lloyd Discusses Features

Discussing the issuance of these booklets, Maj. G. L. Lloyd, manager of the Aero organization, pointed out that about two-thirds of the privately owned aircraft in the United States have no insurance coverage. Of the planes covered by insurance of one form or another, the most general form is public liability. About 25 percent of all privately owned planes have public liability coverage, he estimated. Comparatively few machines are covered for fire only and it is customary to scrutinize a risk closely for moral hazard where fire coverage only is desired, unless it is wanted to cover a mortgagee's interest in a plane being bought on time.

Multiple occupancy frame buildings, flour mills, canneries, summer hotels and country clubs may have rates of more than 6 and 7 percent, even with the best fire protection, whereas the rate on an airplane anywhere on the ground or in the air is only 3 to 3½ percent.

Windstorm and theft rates on automobiles in twelve of the largest cities of the United States range from 2½ to 6½ percent, while the average rate for windstorm and theft on an airplane is 1 percent. Automobile collision rates in large cities range from 2 to 24 percent, while crash insurance rates on airplanes run from 10 to 18 percent.

### Taxi Rates Compared

Public liability including passengers, limits of \$10,000/\$20,000, average \$507.59 for taxicabs in the 12 largest cities, while for airplanes carrying passengers for hire the average rate for the same coverage would be \$297.75. Corresponding property damage rates would be \$115.45 for taxicabs and \$89.50 for aircraft for hire. The average rate on pilots for workmen's compensation is 13 percent, but classifications such as building wrecking (32.6 percent); steel erection (23.45 percent) and bridge building (17.25 percent) carry much higher rates.

In more than 20 states an airplane owner's liability for injuries to the public or for damage to property of others is absolute; it does not have to be proved the accident was due to negligence; also an airplane operator carrying passengers for hire is to a high degree legally responsible for their safety. It is inherently a bad fire risk because of the large quantities of gasoline and oil in it and the "dope" with which it is finished.

"It is not necessary to be able to fly an airplane to solicit aviation insurance any more than it is necessary to be able to pilot the Leviathan in order to handle a marine risk," the leaflet points out. "Any airplane owner can answer the questions on the aircraft application forms as readily as he can tell you the make of his automobile."

## LEGISLATIVE • DIGEST •

Ohio—Governor Davey has signed a bill changing the time for the expiration of licenses of insurance agents from March 1 to July 1.

Oklahoma—The measure giving the insurance commissioner authority to apply for receivership for any insurance company when he deemed it best for the policyholders has been pocket vetoed by Governor Marland.

Florida—Proposed increase in premium taxes from 2 to 4 percent killed in senate committee. This is regarded as assurance that there will be no increase.

Wisconsin—Assembly passes bill repealing tax reciprocity by which an insurance company of another state operating in Wisconsin is not required to pay a higher tax than a Wisconsin company operating in the home state of the foreign company. The bill would make all insurance companies operating in Wisconsin subject to uniform taxation, and is estimated to bring in from \$200,000 to \$250,000 of additional insurance taxes.

Michigan—Legislature adjourns with few insurance laws enacted. The Michigan Association of Insurance Agents was expected to offer an agents' qualification bill, but it was decided the time was not favorable for consideration of such a measure. Among the inimical proposals defeated were two providing for higher taxation and the valued policy measure. The governor is considering bill permitting agents in the event of failure of companies to offset damages to the agency against any outstanding balance due to the defunct carrier.

## Northwest Ohio Mutual Association Functioning

A permanent organization has now been effected by the Mutual Fire & Casualty Association of Northwestern Ohio.



V. H. SAGE

This was done at a luncheon meeting in Toledo. V. H. Sage, district manager Lumbermen's Mutual of Mansfield, O., who was earlier selected as temporary president, was confirmed as permanent, as was Lee H. Tucker, branch manager Central Mutual of Chicago, as secretary. C. I. Boyd, Grocers Mutual, was named vice-president and M. P. Jefferys, manager Michigan Mutual Liability, was named treasurer.

The executive committee consists of W. J. Flamand, Lumbermen's Mutual; W. R. Boyd, Grocers Mutual; G. I. Markham, Hardware Mutual Casualty; O. J. Marsh, adjuster, and R. A. Sheneff, State Automobile. The permanent office will be 201 Nicholas building, Toledo.

A dinner is planned for June 10 to be addressed by several outstanding mutual people.

### Yetka's Son in Accident

ST. PAUL, May 29.—The young son of Commissioner of Insurance Frank Yetka is recovering from an automobile accident at Cloquet, Minn., recently. The boy, though severely injured, is now thought to be out of danger.



## Need to Put Curb on Poor Loss Men

(CONTINUED FROM PAGE 1)

complished speak for themselves and manifest the genuine purpose of the bureau to do its full part during these years in cooperating with its members to meet the unusual business recession imposed upon them.

"The efforts of most of our companies to extend adjusting bureau activity and the wholesome effect of their interest in loss adjusting has been conspicuous since the organization of this bureau. The theory of personally impartial adjusters on a definite basis of compensation, employed for apparent value, educated and supervised, is fundamentally sound and should control the business and prevail over free-lance work.

### Urges Greater Cooperation

"The accomplishments of a cooperative organization must be measured largely by the degree of cooperation between its organizers. We remind you again of the evident need for a more genuine interest in loss adjusting by all companies and their representatives and a more enthusiastic cooperation with us, to the end that we may accomplish the ideals for which the bureau was organized and that it may sustain itself by its operations."

Reporting on economies effected, Mr. Haid said that operating costs in 1934 were \$224,000 less than in 1933, and to date for this year, "We have reduced our costs on an annual basis over \$34,000 and we propose to continue to be vigilant and conscientious in our effort to seek further reductions without impairing our functions." Mr. Haid went on to say that "It should be most gratifying to our member companies that the business of your bureau did not recede to the extent of the decrease in losses generally and that it actually increased its percentage of insurance represented on losses it handled."

### Considers Small Losses

Mr. Haid pointed out the importance of referring smaller losses to the bureau for adjustment, saying that much good can be accomplished in this way in the cultivation of a better public understanding of the insurance business by a more careful and conscientious treatment of the many smaller claims. The more or less passive treatment of this class by the insurance interests throughout the bureau's territory is particularly notable, he said, the small proportion of such cases which the bureau handles being reflected in its high average size of fire loss, \$889, and its consequent high cost per loss.

"A substantial increase in this volume of small losses would permit us to utilize a certain amount of slack time and offer the much needed opportunity for the education of junior adjusters," he said. "While the individual losses are small and perhaps for that reason have escaped attention, we remind you of their importance not only in the aggregate money involved but in the general effect of the existing methods of handling them."

### Headway on Uniformity

Mr. Haid noted the progress that has been made in development of the bureau's automobile, special risk and casualty department. A separate division for this class has been set up throughout the organization and the work is being handled by experienced specialty adjusters under the immediate direction of thoroughly proficient supervisors in each departmental office. A comprehensive system of automatic follow-up and reporting is in operation. Mr. Haid reported real headway with the heretofore vexatious problem of uniformity. Increased patronage has been steady and substantial and has done much to offset the decrease in losses of other classes, and the facilities, service, and efficiency of this department are not surpassed, he said.

## Hitch Develops in Missouri Rate Litigation Compromise

(CONTINUED FROM PAGE 1)

rates down 5 percent below the temporary schedule.

The Missouri department estimates that the rates proposed to be charged under the compromise would bring a saving to Missouri policyholders of \$1,500,000 annually.

Of the \$11,000,000 now impounded in both federal and state courts, policyholders would receive \$2,200,000; agents would get \$2,750,000—their full commission on the impounded premium—the companies would get \$2,750,000 and attorneys' fees for both sides and other special expenses would consume the balance.

It is taken for granted that if policyholders cannot be located, the refund to which they are entitled will be turned over to the state treasury.

Mr. O'Malley appeared before a meeting of the Kansas City chamber of commerce, which was also addressed by Cliff C. Jones, vice-president of the Kansas City Fire & Marine and chairman of the insurance committee of the chamber.

Mr. O'Malley said that under the compromise properties in rural districts would pay higher rates since they do not have the fire protection. The average rate would be 95 percent of the rate that prevailed prior to the reduction order of 1922, he declared.

The state authorities naturally are speaking of over-all results; it is taken for granted that the rating will be on strictly a selective basis.

The Missouri senate eliminated from the omnibus state appropriation bill an item of \$50,000 to finance for the insurance department the continuation of the fire insurance rate cases in the state and federal courts. Senators apparently feel it is time the struggle is peacefully compromised. A similar appropriation has been passed at nearly every session of the legislature since 1922.

C. R. Street, of Chicago, who has been conducting the negotiations for the companies, has responded to an inquiry from the Kansas City Chamber of Commerce.

"No information of any kind has been given out by me or anyone else representing the companies in regard to the details of the proposed settlement," he wrote.

Mr. Street reviewed the history of the case, beginning with the 10 percent reduction order issued by Ben C. Hyde in 1922, and related that the companies had refunded nearly 13 million dollars as a result of the loss of the case then.

"From August, 1929, to May 31, 1930," the letter states, "we wrote Missouri business on the basis named in the Hyde order, endeavoring to negotiate with the department a basis which would be fair to the companies as well as to the policyholders of the state."

### Companies Increased Rates

When that proved unsuccessful, the companies ordered the 16 2/3 percent increase, beginning with June, 1930, and began to impound the disputed amount in the courts. He stated the companies lost money on Missouri business from 1922 to 1934 because of the huge refunds and the expense of the litigation.

The proposition offered Mr. O'Malley was to revise the rates as of May 1 so that the "printed book rate, or 100 percent, would be charged instead of the 105 percent, which the 16 2/3 percent rate increase produces, so this practically amounts to a reduction of 5 percent in the rate actually paid in recent years on every risk in the state of Missouri.

"We propose to make other revisions under which our rates would be 97.6 percent, approximately, of the rates printed in the book, we giving up income where it seems it could most consistently be done. For instance, we propose to rate fireproof buildings and their contents under the same sort of schedule as used in Illinois, our pet state, to which we give everything we have to give for the reason that in Illinois there is no rate

law and we have for many years been permitted to do as we please."

Mr. Street stated that coinsurance credits on fireproof buildings would be increased and that the result would be a "substantial reduction" below the printed book rate.

He stated there would be reductions on residences with hard roofs and on dwellings with garages in connection, and that "there would be no advance in rates on any class at this time and only with the consent of the insurance department at any time. As a matter of course in rating, some poor risks may rate higher than now, but a good risk will rate lower."

There has been practically no change in rates or rules of practice in Missouri, Mr. Street stated, since 1920. He said the agreement provided that schedules developed since that time in other states would be extended to Missouri.

### Illinois Code Amended

The Illinois senate has passed all of the amendments to the proposed Illinois insurance code sponsored by the insurance department, except the one that would drastically limit the opportunity for London Lloyd's. In all, 94 amendments were passed. The senate has not amended the code so as to reincorporate in it the original fire and casualty

rate regulation section. The house did reincorporate that section in the code.

There is considerable interest among companies in the bill to revise the old section 30 taxing net receipts of the fire companies. The new bill would apply what would amount to 1 1/2 percent tax on all premiums except life. It would require premiums to be reported and then they would be debased to the extent that the going tax rate would produce 1 1/2 percent of the premiums.

There is another revenue measure which would increase the state fire marshal tax from 1/4 to 1/2 percent.

### Hatch Joins Cannery Exchange

Earl B. Hatch, who was connected with the Minnesota Inspection Bureau at Minneapolis, has resigned to take a position with the Lansing B. Warner Cannery Exchange organization.

### Two Companies Reinsure

The Trans-Canada and British Colonial Fire of Montreal have reinsured all outstanding policies in two French companies and the General of Seattle and General Casualty of Seattle. The reinsured companies are controlled by the Provident Adjustment & Investment Co. of Montreal.



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## PERSONAL SIDE OF BUSINESS

Hal D. Balyeat of the W. S. Hukill, Jr., agency, Cincinnati, is in the east this week on a combined business and pleasure trip, the business consisting of a long deferred and much invited visit to the home office of the Home, of which the Hukill organization is an outstanding agency. Mr. Balyeat is a son-in-law of Mr. Hukill and besides being very active in production for the agency is regarded as one of the best informed insurance men in Cincinnati. Prior to his 12-year connection with the agency, he was prominent in the claim department of the Travelers, which the Hukill agency also represents. He is a member of the bar of Ohio and a keen student of insurance coverages and problems.

Neal Bassett, former president of the Firemen's of Newark group, is recently home from an enjoyable trip to Europe. One of the most able figures that entered the fire business, his friends the country over would welcome his active return to the arena, and anticipate this will come about at no distant date.

Several Denver insurance men have figured in the news recently. Archie Begole, son of retiring Mayor G. D. Begole, himself a former insurance man, ran a strong race for election commissioner. He was only a few thousand votes behind the successful veteran candidate.

Gareth Brainerd of Brainerd, Montgomery & Co., was elected vice-president of the United States Junior Chamber of Commerce. He served as president of the Denver Junior Chamber the past year, and is now national councillor for that group.

The board of managers of the Building & Loan League of New Jersey tendered a dinner to former Commissioner W. H. Kelly of New Jersey in Newark. He was presented an electric clock and an illuminated scroll. Among the speakers were Commissioner Carl K. Withers, Colonel Kelly's successor; Deputy Commissioner C. A. Gough and several others from the insurance department.

C. F. Codere, vice-president St. Paul Fire & Marine, has been elected president of the board of trustees of Summit school, a private school for girls in St. Paul. T. A. Phillips, president Minnesota Mutual Life, is on the executive committee.

Benoit Fritsch, 84, who was for many years treasurer of the Mutual Fire of Vincennes, Ind., died at the home of a daughter in Vincennes. The late Maurice Thompson dedicated "Alice of Old Vincennes" to him for services rendered in furnishing data on early French history and customs for the book.

R. D. Groves, widely known Kansas City polo player and vice-president of the Groves Brothers agency, was married at Dover, Mo., to Miss Murrel Finley, New York, member of the art department staff of "Cosmopolitan" magazine.

Hugh Macnabb, fire manager of the Eagle Star & British Dominions, who has been in this country for some weeks, will sail from New York for London May 30. While here he arranged the appointment of H. G. Casper as United States manager, and B. A. Jochen as assistant manager. To familiarize himself with conditions on this side Mr. Macnabb made an ex-

here has steadily been toward broadened coverage so that an insured may obtain the maximum of protection and at reasonable cost.

tended trip across the country, going as far as the Pacific coast, visiting en route all important centers, east, west and south. He also spent a week in Canada.

C. M. Garst, who had been connected with the Wisconsin Fire Insurance Rating Bureau nine years, died at the age of 58. He had undergone an operation.

George S. Van Schaick, former New York insurance superintendent, is now ensconced in the Central Trust building at Rochester, N. Y., being the senior in the legal firm of Van Schaick, Woods & Warner. Other members of the firm, in addition to Mr. Van Schaick, are H. M. Woods and Nelson Warner.

John J. Dolan of Glen Ridge, N. J., special agent of the Globe & Rutgers Fire in that state, died in a hospital in Jersey City, following an operation. He was 46 years of age and had been connected with the Globe & Rutgers 30 years. He was employed in the home office in various capacities until about eight years ago when he went into the field.

E. C. French, assistant manager of the eastern facultative department of the Inter-Ocean Reinsurance, has returned to New York after a visit to the home office of his company in Cedar Rapids, Ia., and to Chicago.

At a pretty afternoon wedding at the home of the bride's parents, Mr. and Mrs. G. H. Harrison, of Detroit, their daughter, Margaret Jean, was married to Gerard S. Tipson. Mr. Tipson is an auditor at the Great American head office and the bride's father is Detroit manager of the Western Adjustment. Following a trip to California the newlyweds will reside in New York City.

P. B. Bethel, secretary Kentucky Association of Insurance Agents and Louisville Board, is away from his office for a day or two as a result of an operation for removal of his tonsils.

Joseph W. James of Omaha, special agent during the past 18 years for the Northwestern Fire & Marine, Twin City Fire and Citizens, died Monday morning of a heart attack. Funeral services were held in Omaha on Wednesday.

The picture of two insurance athletes appeared in the sports section of the Chicago "Sunday Tribune" along with some champion high jumpers, track stars and high divers. The picture showed John Pabst, Chicago manager of the Fireman's Fund Indemnity, making a furious assault on a golf ball lodged in a sand trap at the Park Ridge Country Club. Among the other members of the foursome watching this energetic performance was John Rygel, assistant general agent of the Hanover in the west.

Engagement is announced of Miss Elenor Ford Torrey, daughter of Dr. and Mrs. H. N. Torrey of Grosse Point, Mich., and Savannah, Ga., to John Shallcross, son of Cecil F. Shallcross, United States manager of the North British & Mercantile. Miss Torrey is a graduate of the Masters School, Dobbs Ferry, N. Y. Her father is surgical director for the Michigan Mutual Liability. Young Mr. Shallcross, a descendant from Sir William Fleetwood, general in the army of King Charles I, is in his senior year at Yale, having entered the university following graduation from Groton preparatory school.

Henry T. Lindholm of the Western Actuarial Bureau in Chicago was called to Minneapolis because of the unexpected death of his father, who was in the seed business.

## The Magic of a Reserve

THE recent remarks by H. I. BENJAMIN of the SOUTHERN PACIFIC COMPANY on the subject of self-insurance funds of railroads prompt some thoughts about reserves. In addressing the annual meeting of the FIRE UNDERWRITERS ASSOCIATION of the PACIFIC in SAN FRANCISCO, Mr. BENJAMIN started by advocating that railroads set up their own fire insurance funds. Later, however, he said there is a "fly in the ointment" and the fly would seem to be very large. It is that, in the event of a large fire, the reserve, which may look very impressive on paper, may be liquidated only with a substantial sacrifice of what the management may feel the securities are worth and as compared with the purchase price.

In the current discussion of unemployment insurance, old age pensions, public health insurance, etc., the public and even most of the experts seem to take for granted that there is some mathematical exactitude about reserves. You build them up and then when you want them, you draw them down. It is as simple as taking a quarter from one pocket and putting it in another. They seem to feel that there is no end to the process. There is no limit to the size of the reserves that they would create. All that is needed is to decide upon some phase of social insecurity to be corrected and the extent to which amelioration should be offered, and then to proceed to accumulate the reserves by a levy on pay-roll, sales, or some other measure.

Consideration has been given to the question of how much of a levy upon pay-rolls or sales, industry can stand

and the extent to which costs may be increased, without causing a reaction on purchases. However, there is another phase of the problem, which we feel has not been given adequate consideration.

It seems to us that the public should be made to realize that these reserves represent ownership of debt.

They do not represent gold in vaults to be drawn upon at will. The value of the reserves depends on the situation of the borrower.

It would appear that there is at all times a certain amount of good debt outstanding and a certain limit to the debt that may be soundly contracted. Those would be elusive limits to determine, but they probably do exist. They depend to a large extent on prospective earning power.

Suddenly, to increase greatly the opportunity for people to go into debt by creating vast new reservoirs of credit or reserves, it would appear, would tend to put the volume of debt over the sound limits and thereby jeopardize the reserves and the likelihood of their being available when needed. We are not thinking only of the possibility of another severe depression which would necessitate liquidating the reserves on a falling market and thus further depressing the market, but we are concerned with the general theory that the country may be so carried away by the idea of infallibility of reserves as to encourage the contracting of debt, public or private, far beyond the future earning power of the country to liquidate.

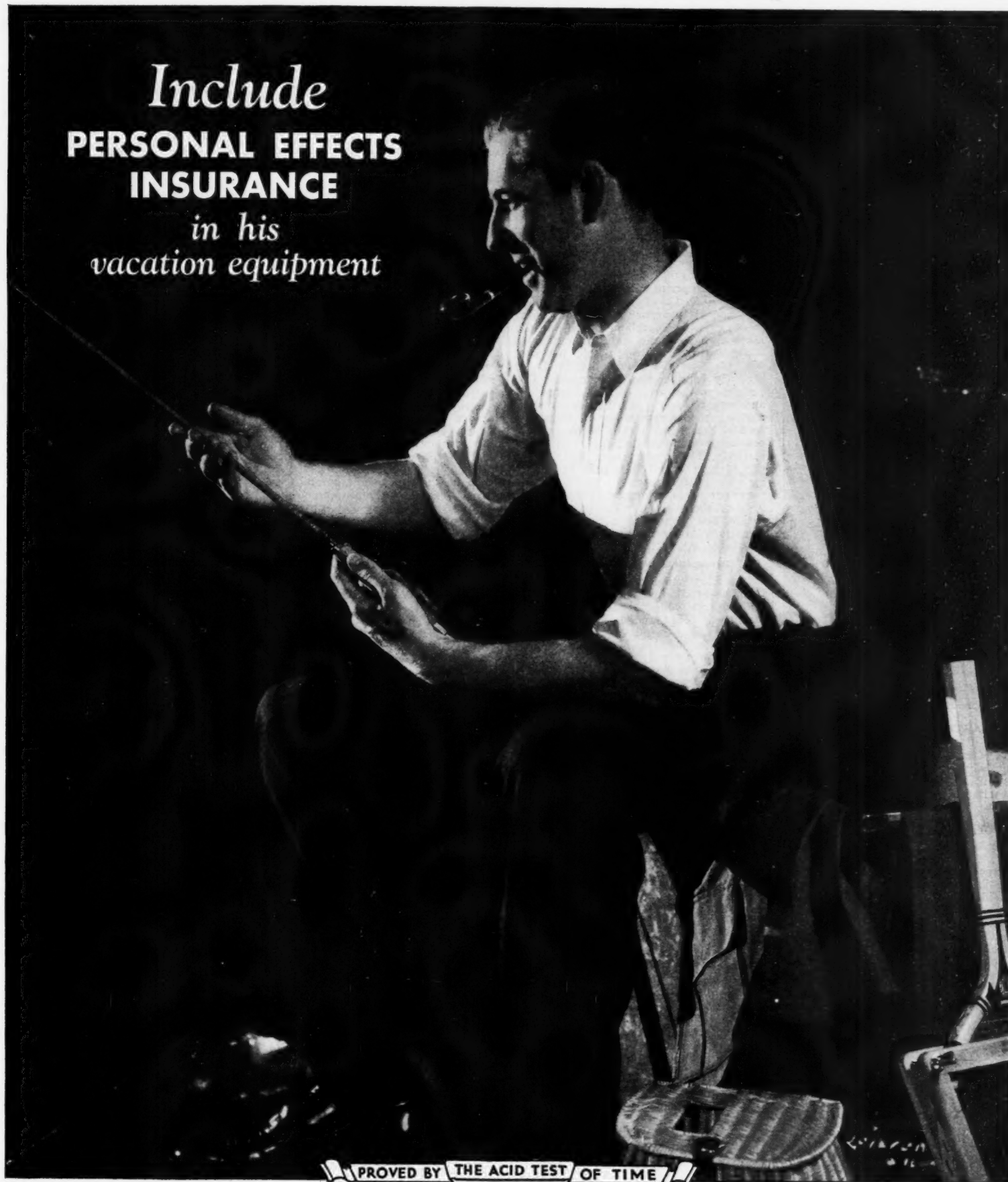
## Limited Coverage Not Popular

THE reported writing by French companies of a policy covering an individual against liability for whatever damage to others he may be held accountable while driving an automobile does not especially interest American underwriters, the basis of whose operation is to cover a particular car, and assume responsibility for damage whoever may be driving it with the owner's permission. Limited forms of coverage which the American

companies have written from time to time, and which are still to be had, have never proven popular here, nor are they likely to. Under restricted contracts, controversies usually arise in the event of a claim; the assured insisting that he understood from the agent at the time of taking out the policy, that claims of the character he had incurred, were covered and would be paid by the carrier. The trend in automobile underwriting



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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### O'Connell Has New Position

**General Accident Claims Manager in Cincinnati Becomes Head of Eureka Security Agency**

Arthur M. O'Connell, for the past year Cincinnati claims manager of the General Accident, will enter the production field next week when he becomes general manager of the Eureka-Security Insurance Agency, general agent of the Pearl-Eureka-Security F. & M. group in 17 counties in southwestern



ARTHUR M. O'CONNELL

Ohio. Mr. O'Connell will have general supervision over agents in the territory and will also be in charge of Cincinnati production on all lines, both fire and casualty, for the Eureka agency.

#### Will Move to Carew Tower

The agency will move to the Carew tower, which is rapidly becoming the insurance center of Cincinnati, about June 15. At present it is located at 22 Garfield Place, the home office of the Eureka-Security F. & M. and the Cincinnati Underwriters.

Mr. O'Connell, a member of the bar of Ohio, was connected with the Cincinnati claims department of the Travelers for seven years before resigning early in 1934 to take his present position with the General Accident. He is well known among insurance men in southern Ohio, having traveled that territory extensively in both his past connections.

The property at 22 Garfield Place, hitherto housing the Cincinnati activities of the Eureka-Security Insurance Agency and the Pearl fleet will be rented or leased. The offices of B. G. Dawes, Jr., chairman of the board of the Eureka-Security Fire & Marine and Adam Benus, secretary, will be distinct from those of the agency, but will probably be located on the same floor.

#### Missouri Code Definitely Dead

The proposed Missouri insurance code, which has been moribund for several weeks, is now definitely dead. It was doomed when the Missouri senate tabled all measures now on its calendar for perfection. This was done to clear the way for final adjournment. Proponents of the code say that it will be introduced at the next session of the legislature.

### Bowen and Lloyd at Cleveland

**Insurance Department Operating More Efficiently with Increased Budget—Organization Is Urged**

CLEVELAND, May 29.—Favorable legislative progress for the insurance business in Ohio was indicated in the talks of Superintendent R. L. Bowen and John A. Lloyd, secretary Ohio Association of Insurance Agents, at a joint meeting of the Cleveland Board and the ninth district of the state association.

Superintendent Bowen said his first big job was the raising of funds to properly conduct the department. The budget was nearly doubled, later cut and then restored. Mr. Bowen strongly advised the organization of insurance men as the proper means of voicing the sentiments of individual agents most effectively. The casualty men, he thought, should have a full time paid secretary. It is an advantage to the insurance department to have organized spokesmen present their ideas. Through organization and concerted action, common ideas may be promoted to the best interests of all.

#### Prompter Action on Licenses

Mr. Lloyd told of the work of the Ohio association in its drive for funds for proper conduct of the insurance department. He lauded Superintendent Bowen. As a result of the appropriation 70,000 licenses had gone out to agents by April 1. In the past such licenses might have been held up until September. The additional funds have greatly accelerated examination of companies and collection of fees. The present Ohio legislature is the best in many years from the standpoint of the insurance business. Mr. Lloyd said the agents' qualification and examination bill will raise the standards of the insurance agency business and that the bill will offer tremendous benefits to the public. The new qualification law will apply only to applicants for new licenses. Mr. Lloyd also explained the new Ohio automobile financial responsibility law. The law is not perfect but it does require every driver of a car who has had an accident and an unsatisfied judgment against him to show financial responsibility before he can drive again.

#### B. J. Weldon Will Wed

B. J. Weldon of the Wichita office of the Kansas Inspection Bureau, and "croaker" of the Sunflower puddle of the Blue Goose, will be married June 10 to Barbara Brown of the Underwriters Adjusting, Wichita. Mr. Weldon is a graduate of the fire protection course of Armour Institute, Chicago, and has been with the Kansas bureau for four years.

#### Large Turnout at Mattoon

Nearly 100 attended the banquet in Mattoon, Ill., honoring the 70th anniversary of the J. Logan Gover agency and the 25th anniversary of Miss Nettie Cooper's connection with the office. Fred C. Bertiaux of the Hanover was toastmaster. He was chairman of the committee that arranged the function, the other members being George Feindt, North America, and E. F. McAdow, Great American.

W. K. Maxwell, assistant general agent of the Hanover, presented Miss Cooper with a traveling bag; Mr. Gover made a presentation and State Agent L. C. Larson of the Eagle Star & British Dominions presented her with a pen

and pencil set in behalf of United States Manager Harry Casper of his company. In the golf tournament, Earl S. Miller of the Illinois Audit Bureau won the blind bogey and Roger Simpson of Newhouse & Sayre was the low gross winner.

There was a welcoming talk by State's Attorney Gilshaver.

Among the company people, other than special agents, on hand were G. D. Gregory, secretary, and Carl E. Ingram, agency superintendent Great American; James E. Guy, automobile superintendent, and H. C. Edmondson, agency superintendent America Fore; Melvin LePitre, assistant manager Fire Association; S. H. Quackenbush, western manager Westchester, and Gunnar Olson, farm manager of the Crum & Forster companies.

### Retain Saginaw Public Insurance

SAGINAW, MICH., May 29.—A recent attempt to upset the arrangement whereby the Saginaw Association of Insurance Agents places the insurance of the city and county was arrested when the insurance committee of the board of supervisors proposed a resolution to keep the insurance with the association, which was adopted. The committee approved renewal of the automobile policy on county-owned cars and expressed its intention to renew the public liability policy which expires in June.

### To Name Minnesota President

MINNEAPOLIS, May 29.—A meeting of the executive committee of the Minnesota Association of Insurance Agents has been called for June 4 in Minneapolis to select a president to succeed the late F. C. Esterly. C. O. Brown, Rochester, acting president, is slated to become president in case he will accept.

### Heavy Hutchinson Hail Loss

Several weeks will be required to settle the several hundred hail losses at Hutchinson, Kan., as a result of a 15-minute storm which broke windows, neon signs, greenhouses, and damaged every automobile top on the streets. Adjustment offices have established headquarters in the city, employing extra help, and so far are unable to estimate the loss.

### Rodgers Agency Reorganized

Since the recent death of A. A. Rodgers, veteran Topeka agent, and the fatal automobile accident in which his son-in-law, Kenneth G. Lewis, also connected with the agency, was killed, the agency has been reorganized with R. C. Rowse as president; Mrs. A. A. Rodgers, vice-president; Marjorie Rodgers Lewis, secretary; G. M. Beattie, assistant secretary.

### Wisconsin Gets New Rules

Wisconsin is the latest state in which the recent western rule changes have become effective. In that state, not only is use of the supplemental contract extended and the modernized merchandise and fixture form approved, but annual and two year policies may be written covering schools, public property, etc., at pro rata of the three year term rate.

### New Wisconsin Boards

MILWAUKEE, May 29.—Organization of local boards at Stevens Point and in Rock county has been completed and progress is being made in the formation of a local board at Burlington, according to J. G. Grundle, secretary-treasurer Wisconsin Association of Insurance Agents. W. J. Tucker, Beloit, former state association president, is president of the Rock County Board, which is functioning county wide, with the Janesville and Beloit local boards

### Former Agency Chief Is on Program in Nebraska



WILLIAM B. CALHOUN, Milwaukee

W. B. Calhoun, Milwaukee, former president of the National Association of Insurance Agents, familiarly known as "Big Bill," official song leader at national conventions, burnished his harness, polished up his adjectives and went to the great open spaces out in Nebraska last week to speak before the annual meeting of the Nebraska Association of Insurance Agents at Hastings.

continuing. The Stevens Point board is headed by Robert Kostka. Mr. Grundle and W. B. Calhoun, president Wisconsin association, assisted in the formation of both new boards.

Mr. Grundle was in Burlington last week where local agents are planning to organize with the assistance of state association officials. About a dozen Burlington agents are active in this work and expect to have a well functioning board in operation with a large membership within the next few weeks.

### Loss Association Outing

The annual outing of the Western Loss Association is to be held in Freeport, Ill., June 18. The members will be guests of the western department of the Crum & Forster organization.

### Must Register Loans

ST. LOUIS, May 29.—The Fire Underwriters Association of St. Louis is now enforcing its bylaw requiring the registration of real estate mortgage loans by registered loan agents. No severe action will be taken on those not complying with the rule now in effect regarding retaining companies not observing association rules. It is expected that the situation will adjust itself before the next meeting.

### Clark Asks Rehearing

DES MOINES, May 29.—Commissioner E. W. Clark has filed a petition for rehearing in the Iowa supreme court in the case in which he sought to restrain the state executive council from forcing him to appear and explain his position in connection with official acts involving a report on the Royal Union Life and a merger of two fraternal. The supreme court recently held that executive council had the power to compel Clark's appearance, overruling the Polk county district court.

Clark's term of office as commissioner expires July 1. Ray Murphy already



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(Securities at Market Value)

### THE GIRARD FIRE & MARINE INSURANCE CO.

Organized 1853

Surplus to Policyholders Dec. 31, 1934

**\$2,087,058.35***Securities at Market Value***82 YEARS IN BUSINESS**

### THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

Organized 1854

Surplus to Policyholders Dec. 31, 1934

**\$935,329.77***Securities at Market Value***81 YEARS IN BUSINESS**

### NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

Organized 1866

Surplus to Policyholders Dec. 31, 1934

**\$1,932,062.99***Securities at Market Value***69 YEARS IN BUSINESS**

### THE METROPOLITAN CASUALTY INSURANCE CO. OF NEW YORK

Organized 1874

Surplus to Policyholders Dec. 31, 1934

**\$1,796,718.88***Securities at Market Value***61 YEARS IN BUSINESS**

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Sprinkler Leakage  
Tornado—Windstorm  
Ocean and Inland Marine  
Tourist Baggage  
Riot and Civil Commotion  
Explosion  
Parcel Post  
Loss of Use  
Earthquake  
Aircraft  
Automobile—All lines  
Personal Accident  
Health  
Group Disability  
Plate Glass  
Burglary, Theft and Larceny  
Hold-up—Robbery  
Blanket Residence  
Public Liability—All Lines  
Contingent Liability  
Elevator Liability  
Elevator Property Damage  
Golf and All Sports Liability  
Products Liability  
Professional Liability  
Malpractice  
Check Alteration and Forgery  
Fidelity Bonds  
Surety Bonds

## GROUP LOSSES PAID

Over

Four Hundred Million

**\$429,842,318.00**

### MILWAUKEE MECHANICS' INSURANCE COMPANY

Organized 1852

Surplus to Policyholders Dec. 31, 1934

**\$5,005,480.77***Securities at Market Value***83 YEARS IN BUSINESS**

### SUPERIOR FIRE INSURANCE COMPANY Surplus to Policyholders Dec. 31, 1934

Organized 1871

**\$2,081,259.40***Securities at Market Value***64 YEARS IN BUSINESS**

### THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

Organized 1870

Surplus to Policyholders Dec. 31, 1934

**\$2,243,727.39***Securities at Market Value***65 YEARS IN BUSINESS**

### COMMERCIAL CASUALTY INSURANCE CO.

Organized 1909

Surplus to Policyholders Dec. 31, 1934

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has been appointed to succeed him and confirmed by the senate. It is regarded as unlikely that the executive council will proceed with removal proceedings while the motion for rehearing is pending. Mr. Clark is therefore expected to hold office until the conclusion of his term.

#### McClain Talks at Evansville

EVANSVILLE, IND., May 29.—Commissioner McClain explained the provisions of the new Indiana code at a southwestern Indiana district meeting here. Ralph G. Hastings, Washington, Ind., president Indiana Association of Insurance Agents, was present. City Comptroller Gilbert Bosse represented Mayor Dress in welcoming the delegates.

Harry Frazier, vice-president for southwestern Indiana, presided.

#### R. F. Muhlhauser Bank Director

R. F. Muhlhauser, associated with the Meyers & Rixey agency of Cincinnati, has been elected a director of the Western Bank & Trust Company to succeed his father, F. P. Muhlhauser, a member of the board of directors for more than 25 years at the time of his death. Mr. Muhlhauser is a graduate of Princeton.

#### Warren Beecher Counterman

Warren Beecher has been appointed counterman in the Cincinnati office of the Northwestern National. He was formerly plate glass underwriter for the Union Indemnity in New Orleans. Facilities of the Cincinnati office are being expanded to take care of increased business. F. J. Pocquette is manager.

#### Valparaiso Field Day June 13

The annual field day of the Valparaiso Board of Valparaiso, Ind., is to be held June 13. The festivities will start the evening of June 12 at the Blackhawk Beach hotel at Flint Lake.

#### Accident Man Is Speaker

WICHITA, May 29.—M. W. Sutton, production manager of the accident department of the London & Lancashire Indemnity, addressed the Wichita Insurers on "How to Secure Business" in one of a series of educational meetings conducted by a special committee headed by Byron Chapell. The annual picnic and outing has been set for June 6. Howard Snyder is picnic chairman.

#### Fight Licensing New Mutual

ST. PAUL, May 29.—The newly formed Empire Mutual of Albert Lea, organized to write hail insurance in southern Minnesota, some time ago applied to the insurance department for a license. A strong fight against the application was made by the Northern Mutual, also a hail company formerly located at Albert Lea but now of Minneapolis. Garfield W. Brown, former

commissioner, as attorney for the Northern Mutual argued that granting a license to the Empire would merely duplicate service already provided in that territory and would jeopardize the business established by the Northern.

Before the hearings had been completed, the Empire withdrew its request for license but without prejudice and indicated that it may later reopen the case.

#### Announce Ohio Speakers

George W. Scott, assistant secretary National Association of Insurance Agents, and a representative of the Ohio department will speak at the series of regional meetings now being arranged by Secretary John A. Lloyd of the Ohio association. Superintendent Bowen was the principal speaker at the meeting in Cleveland a few days ago and Secretary Lloyd and Raymond Rhoads of the insurance department addressed the agents at Bowling Green Monday. Kenneth H. Bair, chairman

of the executive committee of the National association, will be the speaker at the meeting at Akron June 5.

#### Plan Kansas City Meeting

The Kansas Association of Insurance Agents expects to hold a regional meeting in Kansas City in June. Plans are under the supervision of Don Ellis, chairman of the executive committee. Regional meetings were recently held in Salina and Coffeyville, attended by Frank T. Priest, Wichita, National association executive committeeman, and Duane T. Stover, Wichita, Kansas national councillor, in addition to the state officers.

The Union Insurance Agency, New Albany, Ind., has been dissolved. The Cooling-Grumme-Mumford Company, Indianapolis, has been incorporated by Parke A. Cooling, Frederick Grumme and E. S. Huggins.

The J. H. B. House agency has been organized at Houston, Tex. Associated with Mr. House is Charles Doering. Miss Threet Robinson is office manager.

## IN THE SOUTHERN STATES

### Philpott Speaks to Agents

#### Secretary Oklahoma Insurance Board Tells Danger of Dealing With Unlicensed Agents

S. W. Philpott, new secretary of the Oklahoma Insurance Board, made an address before the Oklahoma agents, stating that he had been five years a teacher, seven years in the banking business and 12 years in life insurance. He emphasized the necessity of security so far as insurance is concerned. He said that people are more interested in safety than anything else. He said that those engaged in state supervisory work should have the cooperation of insurance men throughout the state. The latter can contribute much. The Oklahoma Insurance Board, he said, is determined to outlaw insurance racketeers. Reforms of all kinds, if successful, he said, move slowly. There should be no drastic, radical treatment of a political-economic abuse that has become a custom.

#### Tells About Unlicensed Companies

Mr. Philpott said that one of the dangers confronting the various states was the encroachment of nonadmitted companies. They rob the agents of their commissions and the state of taxes and fees. He said there are three types of offenders. First, there are the nonadmitted affiliates of a fleet of running mates of companies regularly licensed in the state. These auxiliaries that are not admitted are used to cut rates and secure competitive advantage over licensed companies. Inasmuch as all fleet com-

panies are under the same control he thinks this situation can be remedied.

The next is the outside company that sends in an unlicensed solicitor, who goes to large assured, agrees to write the business at a cut rate and sends in a policy issued and countersigned outside of the state. Mr. Philpott said that the state is endeavoring to curb this practice.

#### Boll-Weevil of Insurance

The third and most insidious type he characterized as the "boll-weevil" of the business. This is the mail order insurance concern that uses the mails to transact its business. He characterized these companies as pirates and pot licking scavengers. He urged the agents to do all in their power to get convincing information of the activities of these concerns.

Next, Secretary Philpott said, he wants the names of any and all local agents and field men who for competitive reasons try to get a schedule of insurance for non-admitted companies that are associated with admitted companies. If positive information is gotten, Mr. Philpott intimated that something could be done in the way of effective prosecution.

### City Insurance in Dallas Is Put on Political Basis

DALLAS, May 29.—A repercussion of the passage in 1931 of the present Texas agents' license law was found in the recent conflict here between the newly elected city council and the Dallas Insurance Agents Association, which

### Chosen New President of Arkansas Association



ERIC ROGERS, Jonesboro, Ark.

Eric Rogers of Jonesboro, Ark., the new president of the Arkansas Association of Insurance Agents, is a native of the city in which he resides. He has been in the insurance business for 20 years and he is now 38 years of age. He is the owner of the Jonesboro Insurance Company, which writes all kinds of insurance.

In speaking of what he hopes to accomplish during his administration, he says:

"Among the things that I will try to put over for the association for the coming year will be a vigorous warfare against arson. We, in Arkansas, are tired of having our state referred to as one of the hottest states in the Union. We feel that by a campaign we will be successful in materially reducing our loss ratio. We will also make a hard fight to reclaim the automobile finance business that has gradually left our state. We feel the finance companies doing business in Arkansas will fare much better in the future if they allow the insurance business to be placed by the local agents in the towns where the automobiles are sold, and we intend to devote a lot of energy to bring this about."

through its local placement board committee has handled the city's insurance for the last four years. D. R. Graham, one of the councilmen who is a life insurance agent, held a broker's license under the old law but was unable to qualify under the new law, which requires that a solicitor must office with

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the recording agent for whom he solicits.

The outcome of the Dallas conflict was told by the Dallas "News" under the heading, "Political Friends to Get Insurance Contracts of City."

A non-association insurance agent appeared before the council to refute statements of Alfonso Johnson, manager of the Dallas association, about the number of fire insurance agents in Dallas. This agent said more than 1,700 agents are selling fire insurance in Dallas. In a signed statement appearing in the Dallas papers Mr. Johnson quotes the board of insurance commissioners as saying that on May 20, 1935, there were only 601 licenses, including both local recording agents and solicitors, in Dallas and further comments that if 1,700 are selling fire and casualty insurance, 1,100 are doing so illegally.

Before the passage of the law, Dallas had 2,600 brokers, most of whom sold fire insurance as a sideline. The law does not recognize a "broker" but instead defines a "solicitor," who must office with the recording agent for whom he solicits. A solicitor cannot broker his business with any agent as did the former broker.

#### Indict Alleged Arsonists

Indictments have been returned by the Davidson county grand jury in Nashville against members of an alleged arson ring. Among those named is R. W. Thompson, a former state deputy fire marshal, who is now a public adjuster. Another indicted was an associate of his, M. V. Scott.

R. K. Webb, a deputy state fire marshal, and H. S. Avery, special agent of the National Board, have attributed many fires in Nashville the past five years to an arson ring.

#### Clear Field for Riley

All talk of J. S. Love, former superintendent of banks in Mississippi, opposing George D. Riley, incumbent insurance commissioner, for nomination in the Democratic primaries in August has subsided. Mr. Love has assured Mr. Riley that he will not oppose him under any circumstances. This leaves Mr. Riley a clear field, as it is highly improbable that anyone else will announce at this late date.

#### Gets Importers & Exporters

The Hugh Sloan & Co. general agency, San Antonio, has been given representation of the Importers & Exporters for Texas.

#### Tulsa Rates Lower

TULSA, OKLA., May 29.—Tulsa fire insurance rates have been reduced from 20 to 33 percent. The new rate affects all apartments, duplexes, flats, tenements, dwellings and their contents. The new schedule for residences are: Brick house with composition roof, reduced from 24 to 16 cents per \$100; brick house with wooden shingles or

frame house with composition roof, reduced from 32 to 24 cents per \$100. Frame house with wooden shingles reduced from 40 to 32 cents per \$100.

#### Burritt Executive Secretary

MIAMI, FLA., May 29.—K. B. Burritt has just been selected by the executive committee of the Greater Miami Insurance Board as its executive secretary. He has been a resident of Miami for more than 15 years and has been in the insurance business most of that time.

The Greater Miami Insurance Board is composed of agents in Miami, Coral Gables, Miami Beach, Hialeah, Coconut Grove and Miami Springs, and represents practically all the agents in this area. Its offices are at 605 Florida National Bank building, Miami.

#### Propose Plan in Richmond

RICHMOND, May 29.—An ordinance has been introduced in the Richmond city council empowering the city advisory board to place all of the municipality's fire insurance. Heretofore the finance committee of the council has been placing the insurance. The proposal for the city to establish a fire fund of \$300,000 so that it may become a self-insurer is still being debated in council but it is regarded as unlikely that anything will come of the proposal. Some of the councilmen feel that the amount would fall far short of adequately covering city property.

#### Takes Up Kenton County Rates

FRANKFORT, KY., May 29.—Commissioner Reed has ordered a resurvey of the area immediately outside Covington city limits with a view to reduction of fire insurance rates, following complaints from Kenton county citizens that the companies jumped the rates just over the line without regard to protection. They said the rate in Covington and South Ft. Mitchell is 36 cents per \$100, in Ft. Mitchell 38 cents and just over the line 90 cents.

G. H. Parker, Louisville, manager Kentucky Actuarial Bureau, defended the rates, saying it was the custom to charge more outside the limits of a city.

#### Advertise Broader Coverage

The Louisville Board is capitalizing on the recent rule change, authorized in Kentucky, whereunder the supplemental contract is made available for practically all types of risks. Large display advertising space was taken in the Louisville papers stating that broader forms of protection were now available. The Louisville Board and the names of all members were listed.

Incidentally, the point is made that the rule permitting issuance of annual and two-year policies for schools, etc., at pro rata of the three-year term rate was not introduced in Kentucky, not because of disapproval on the part of the insurance department but because of voluntary decision of the companies.

Louisville agents have been somewhat confused about how to apply the supplemental contract. Some agents have been interested in canceling and rewriting policies to give the assured the increased protection, and there has also been argument relative to getting the companies to permit endorsements broadening the coverage. A special meeting of the Louisville Board was held to discuss procedure, after which a committee met with Manager George H. Parker of the Kentucky Actuarial Bureau. This committee is composed of C. D. Harris, president of the board; F. C. Carpenter and Culver Vaughn.

#### Issues New House Organ

Sertel-Reducka, Miami, Fla., local agency, has issued the first number of its house organ called "The Every Day Hazard." L. L. Sertel, head of the firm, was chairman of the general arrangements committee at the mid-year meeting of the National Association of In-

urance Agents at Coral Gables and impressed all with his ability and resourcefulness. The new agency bulletin is a credit to the firm. In its editorial, Mr. Sertel says that his agency was a "depression baby, born Thanksgiving Eve in 1931." Mr. Sertel and his partner, T. D. Reducka have had a combined insurance experience for 15 years. The agency has built up a splendid clientele. Mr. Sertel is editor of the bulletin and Mr. Reducka, associate editor.

#### Two Meets at Gulfport

A large gathering of fire and casualty men is expected in Gulfport, Miss., June 21-23. The Mississippi Association of Insurance Agents will hold its annual convention June 21-22, and on June 22 the Mississippi and Louisiana Blue Goose will hold a joint meeting in the same city. As the following day is Sunday, most of the visitors will remain over.

## PACIFIC COAST AND MOUNTAIN

### Plans of Washington Agents

Will Give a Special Luncheon at Seattle at the time the Insurance Commissioners Meet

The dates of the annual meeting of the Insurance Agents League of Washington have been changed to Aug. 22-23. Originally planned for July 11-12 at Bellingham, the change was necessary so as to avoid conflict with the program of the National Convention of Insurance Commissioners at Seattle. No announcement has yet been made as to who will represent the National association at this year's meeting, although other invited guests include A. B. Knowles, manager of the Pacific marine department of the St. Paul Fire & Marine, San Francisco, and C. W. Lord of San Francisco, engineer for the America Fore group.

W. H. Bennett, secretary for the National Association of Insurance Agents, who was to have appeared on the original convention program, will be honored by the Washington League at a special luncheon gathering July 12 at the Washington Athletic Club, Seattle. C. M. Cartwright, managing editor of THE NATIONAL UNDERWRITER, will also appear on the program. Mr. Cartwright was present at the original gathering of 25 agents in Chicago in September, 1896, when the National association was launched. Both will be in Seattle to attend the Insurance Commissioners Convention meeting.

#### New Los Angeles General Agency

The Layman & Smith general agency has been formed in Los Angeles by M. E. Smith and L. C. Layman, to specialize in the writing of unusual risks.

### New San Francisco Society

Group of Brokers Start Association with Alexander Field of Johnson & Higgins President

SAN FRANCISCO, May 29.—The San Francisco insurance brokers who recently opposed the action of another larger group in the Insurance Brokers Exchange in forming the Insurance Brokers Association have formed a society of their own to be called the Society of Insurance Brokers. Alexander Field of Johnson & Higgins is chairman and 45 of the so-called larger brokerage offices are members. The announcement emphasizes the statement that there is no intent of forming another Insurance Brokers Exchange or to make any agreements with companies over control of business.

This group represents those who recently opposed the formation of the Insurance Brokers Association by members of the exchange for the purpose of obtaining control over public insurance. Mr. Field states that its purposes are to bring together those with common problems and to work for the advancement and improvement of ethical standards. This is the first definite indication that there are two established factions of thought in the San Francisco Brokers Exchange.

### Decide Not to Press the Charges Against Cochrane

DENVER, May 29.—Charges against Jackson Cochrane, Colorado insurance commissioner, will not be pressed by the civil service commission, it was intimated here after a scheduled hearing

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WINNIPEG  
DULUTH  
VANCOUVER

SAN FRANCISCO  
LOS ANGELES  
PORTLAND  
SEATTLE  
TULSA



set for last Wednesday failed to take place. The hearing had previously been postponed twice.

The charges against Cochran, brought by State Senator Nolon after an investigation, state that the commissioner has been negligent and inefficient. When the Wednesday hearing failed to develop, Nolon stated that the entire matter would probably be turned over to Governor Johnson for his consideration. Nolon said the charges are not being pressed because an agreement will probably be reached whereby Cochran will resign within the next year. This resignation was hinted after the second postponement of the hearing but was denied by the commissioner and his attorney, who declared that the charges would be fought. However, indications are that Cochran will resign within a short time and will then be made an actuary. In 1937, Nolon states, Cochran will be retired under the state employe retirement act which demands retirement after age 70.

### Schedule of Meetings for California Agents Outlined

The schedule of regional meetings of the California Association of Insurance Agents has been completed. It includes: June 3, Fresno, noon; June 4, Modesto, noon, Sacramento, evening; June 5, Chico, noon; June 6, Napa, noon, Santa Rosa, evening; June 7, San Mateo, noon, Watsonville, evening.

W. P. Welsh, Pasadena, vice-president of the association, will be the chief speaker. Ed. R. Pickett, president, and H. J. Thielen, chairman farm committee, both of Sacramento, and F. C. Colridge, executive secretary will also speak. Another series will be held in southern California beginning June 24, with President Pickett as principal speaker.

Topics for discussion will include the farm plan, to determine any refinements necessary to meet local conditions; the separation rule of the Pacific Board, methods of recapturing automobile insurance from finance companies and legislation.

### Another Paper Fire

DENVER, May 29.—Another paper warehouse fire in the lower downtown district of Denver again shows the necessity of immediate precautionary action. Numerous fires have occurred in the district the past few months, and because of the contents, total losses have been incurred each time. At one fire, it was necessary to keep a company of firemen on duty for several weeks to prevent additional blazes. The fire this week did damage estimated at \$75,000.

### Confer on Idaho Problems

SAN FRANCISCO, May 29.—A delegation of Idaho local agents conferred here with the Idaho Advisory Committee on problems of mutual concern. The delegation represented the Idaho Association of Insurance Agents, and included President Joseph Perault, Boise; J. B. Robertson, Twin Falls; A. L. Gridley, Coeur d'Alene; H. H. Lipps, Lewiston, and Herman J. Rossi, Wallace.

Mr. Rossi, veteran local agent, is also mayor of Wallace. During his visit here, Mayor Rossi of Wallace met Mayor Rossi of San Francisco.

John A. Carlson, secretary of the America Fore group, is chairman of the Idaho Advisory Committee.

### Honor California Commissioner

With more than 400 San Francisco insurance company executives in attendance, a dinner and reception was held there Tuesday night, May 28, in honor of S. L. Carpenter, Jr., new California commissioner. Among the distinguished guests were Governor Frank F. Merriam and Mayor Angelo J. Rossi. The banquet, which was preceded by a re-

### New Coast Commissioner Is Making Many Friends



HUGH H. EARLE, Oregon

The new Oregon insurance commissioner, Hugh H. Earle, who was formerly a local agent at Eugene, is making many friends in the fraternity by his intelligent entrance into the department and his grasp of the subject. He was one of the founders of the Eugene Insurance Union and served as its president on two or three occasions. His most recent term was just completed when he was appointed to office. He helped to organize the Oregon Insurance Agents Union, the state association of insurance agents. He has been in the general insurance business for 16 years. Mr. Earle has been a resident of Oregon since 1905 and has lived in Eugene since 1918. He is a native of White Hall, Wis., where he was born March 6, 1879.

ception, was held under the auspices of the San Francisco General Agents & Managers Association, Board of Fire Underwriters of the Pacific, Board of Marine Underwriters, Casualty Insurance Association of California, San Francisco Accident & Health Club, San Francisco Insurance Brokers Exchange, Surety Underwriters Association of Northern California, San Francisco Blue Goose and National Automobile Underwriters Conference.

### Hope for Fair Division

DENVER, May 29.—With the election of Ben F. Stapleton as mayor, Denver insurance men are hopeful of obtaining some sort of equal distribution of municipal insurance. Before the election, he told a committee of the Denver Association of Insurance Agents that he would have an open mind if elected, and would be interested in a plan of distributing the insurance fairly.

### Utah Recodification Urged

SALT LAKE CITY, May 29.—A recodification and rewriting of Utah's state insurance laws was recommended by E. A. Smith, Jr., insurance commissioner, in his annual report to the governor. The present laws do not provide sufficient protection to policyholders or companies, he said.

Domestic fire companies received \$1,379,692 and paid \$481,773 in losses last year. Foreign companies received \$184,011 in premiums.

### Set Utah Mid-year Meeting

SALT LAKE CITY, May 29.—The mid-year convention of the Utah Association of Insurance Agents will be held in Ogden June 22. E. D. Amott, secretary-treasurer, said there would be two

### STATEMENT AS OF DECEMBER 31, 1934

ASSETS	
Mortgage Loans .....	\$ 97,650.00
*Bonds .....	3,456,030.00
*Stocks .....	3,889,162.00
Premiums in Course of Collection.....	680,711.83
Interest Accrued .....	39,301.75
Cash on Deposit and in Office.....	874,957.36
Missouri Premiums Impounded.....	63,661.08
	<b>\$9,101,474.02</b>
LIABILITIES	
Unearned Premium Reserve.....	\$3,836,286.86
Unadjusted Losses .....	254,537.00
Reserve for Taxes and Other Claims.....	225,000.00
Missouri Impounded Premiums.....	62,828.40
Capital Stock .....	\$1,000,000.00
Net Surplus .....	3,722,821.76
†Surplus to Policy Holders.....	<b>4,722,821.76</b>
	<b>\$9,101,474.02</b>

\*Valuations on basis approved by National Convention of Insurance Commissioners.  
†On the basis of December 31, 1934. Market Quotations for all Bonds and Stocks owned, this Company's total admitted Assets would be increased to \$9,128,716.02 and Surplus to Policyholders \$4,750,063.76  
Securities carried at \$62,890 in above statement are deposited as required by law.

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THEODORE PLESSNER, Vice Pres. & Treas.  
WILLIAM WILLIAMS, Secretary  
ROBERT L. PARSONS, Secretary  
GARRETT A. GOETSCHUIS, Secretary  
RICHARD W. WETZEL, Asst. Secretary  
CHARLES H. CONKLIN, Asst. Secretary

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INSURANCE COMPANY

Rated A Plus

and

Its Subsidiary

**ATLANTIC**  
INSURANCE COMPANY

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FIRE, WINDSTORM, FULL COVERAGE AUTOMOBILE  
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DALLAS, TEXAS

business sessions, with a luncheon at noon and a dinner at night.

The program will include discussion of a new name for the association, revision of the constitution and bylaws, and a number of other important topics.

**Charles Eskola**, formerly of the Astoria Abstract Company, Astoria, Ore., has established his own agency in that city.

#### Miscellaneous Notes

**Owen Carter**, 47, for several years a member of the Julian, Cochran & Canter agency of Dallas, died there after several months' illness.

The Southland Finance & Insurance Co. of **High Point, N. C.**, has been chartered, the incorporators being R. B. Gantt and E. T. Howard.

The Clarksdale Insurance Company of **Clarksdale, Miss.**, has been chartered, the incorporators being G. F. Maynard, Jr., W. H. Fitzgerald and J. B. L. Jones.

**S. T. McGee** and **S. M. Young**, Burkesville, Ky., have received "long service" awards for 25 years' representation of the Continental.

## EASTERN STATES ACTIVITIES

### Review Insurance Legislation

#### Principal Measures Passed in New York Involving Fire People Are Analyzed

NEW YORK, May 29.—The recent ending of the 30-day period following the New York legislature's adjournment, during which bills in the governor's hands must be signed or else automatically lapse, found no bills awaiting action which fire insurance men either favored or opposed.

The principal measures enacted into law at the 1935 session were those dealing with premium taxes, valuation of

assets, National Housing loans as investments, ceding of risks to reinsurers, certificates of brokers' authority, ownership of property, and the extension of the emergency powers of the department to March 1, 1936.

#### Premium Tax Change

For New York domiciled companies, which are taxed under section 187 of the state tax law, the premium tax was raised from 1 percent to 2 percent. For other-state and foreign companies, which are assessed under sections 34 and 133 of the insurance law, the new law, in effect, extends the 2 percent fire-department tax to unprotected as well as protected areas. New York City and Buffalo, where the tax is paid direct to the fire department in accordance with the city charter, continue to be exempted from the state fire-department tax.

Where a company acquires a bond or other evidence of debt the law relating to use of amortized values on bonds has been amended to eliminate the provision specifying that in an exchange of such securities the purchase price of the securities acquired shall be deemed to be the value of the securities as shown in the last preceding annual statement of the company.

#### Investment Features

Companies are now permitted to invest in mortgages insured under the National Housing Act. The period during which companies may invest in securities of corporations organized to lend to holders of guaranteed mortgage certificates of companies in rehabilitation or to make loans to rehabilitate properties covered by such mortgages

was extended from Jan. 1, 1939, to Sept. 1, 1940.

Restrictions on ownership of property have been eased to the extent of permitting companies to hold property acquired in part payment on the sale of real estate owned provided the transaction effects a reduction in the company's investment in real estate and has the department's approval.

Brokers, other than non-residents who are licensed as insurance brokers in other states, will not be licensed after July 1, 1935, unless they have passed a recognized insurance course or present certificates with affidavits from their employers that they have been employed in insurance duties regularly for the previous year. Another law extends the provisions relative to advertising by agents to brokers as well.

### West Virginia Agents' Meeting

The annual meeting of the West Virginia Association of Insurance Agents will be held at Morgantown, Aug. 5-6. John Blakely of the Welch Insurance Agency of Welch is president and Hubert S. Ellis of Huntington, secretary.

### Essex County Board Meets

A luncheon-meeting of the Essex County (N. J.) Board was held this week in Newark. Only routine business was transacted. Leonard Fuchs, president of the board, presided.

### Eastern Notes

Maxwell McCarthy of **Hornell, N. Y.**, has bought out the Tolan Insurance Agency there.

Former Judge **J. I. B. Reiley**, 79, who died at his home in Phillipsburg, N. J., had represented the Home of New York for nearly a half century and the Atlas Assurance for a third of a century.

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**ROYAL EXCHANGE**  
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**CHICAGO NEW YORK SAN FRANCISCO**



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**HOTEL CORNHUSKER**—Lincoln, 300 Excellent Outside Rooms \$1.50 to \$6.00. Newest Hotel—Nearest State Capitol Bldg.

**HOTEL BLACKSTONE**—Omaha—250 Rooms—Each with Private Bath—\$2.50 to \$8.00. Located Midway between Business and Residential District.

**HOTEL KINGWAY**—St. Louis—250 Rooms—\$1.50 to \$5.00. Overlooks Famous Forest Park.

**HOTEL CUSTER**—Galesburg—175 Rooms—\$1.25 to \$3.00.

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EDW. SCHIMMEL, MGR.

**IN LINCOLN THE CORNHUSKER**  
A. Q. SCHIMMEL, MGR.

**IN ST. LOUIS THE KINGWAY**  
WALTER SCHIMMEL, MGR.

**IN OMAHA THE BLACKSTONE**  
BERNARD SCHIMMEL, MGR.

## MOTOR INSURANCE NEWS

### Nottingham Is New President

Succeeds Beardsley as Head of the National Automobile Underwriters—  
**Hannah Is Vice President**

C. A. Nottingham, United States manager of the Skandia and Prudential of Great Britain, and assistant United States manager of the Royal-Liverpool groups, was elected president of the National Automobile Underwriters Association at the annual meeting. During the past year he served as vice-president. In the presidency he succeeds G. E. Beardsley, vice-president of the Aetna Fire, who had served for three years.

C. C. Hannah of Boston, eastern manager of the Fireman's Fund, was elected vice-president and C. E. Case, assistant United States manager North British & Mercantile, was reelected treasurer.

Mr. Beardsley was elected a director to replace Mr. Hannah.

#### Approve Contingent in West

The association voted to approve the proposal to allow contingent commissions of 10 percent in four of the excepted cities of the west—Chicago, Detroit, St. Louis and Milwaukee. However, the proposal to allow a contingent of 7½ percent in the excepted eastern cities of Buffalo, Baltimore, Pittsburgh and Washington was rejected.

In Chicago, the metropolitan supervising agents get 25 percent upon all classes of automobile insurance and in addition may be paid 10 percent overwriting plus 10 percent contingent.

In calculating the contingent, the following are the credit items: 50 percent of net premiums of preceding year; outstanding losses at beginning of current contingent year, and net premiums of current contingent year.

The debits are: 50 percent of net pre-

miums of current contingent year; losses paid during current contingent year; losses outstanding at close of current contingent year; loss expenses paid; all actual commissions; for all agency expenses other than actual commissions a fixed charge of 7½ percent of net premiums of current contingent year; net loss, if any, under the contingent contract carried over from the preceding year. This shall not include any loss which may have been charged in debit of preceding year carried over from the year previous thereto.

The excess of credits over debits shall be the amount on which the 10 percent contingent commission is computed. The excess of debits over credits establishes the deficit to be carried forward to the next contingent year.

The association voted in favor of amendments to certain regulations, which were for purpose of clarification.

Bona fide general agents of the casualty companies, who do not represent a fire company for fire business, may be paid 25 percent, plus 10 percent overwriting, except on property damage on which no overwriting is permitted. Other agents and brokers are allowed 20 percent on property damage and 25 percent on all other classes except upon business in ordinary territory where the compensation is limited to 20 percent.

### Moore, Hall Entertained

J. Ross Moore, manager, and W. D. Hall, actuary of the National Automobile Underwriters Association, were guests of the Automobile Superintendents Club of Chicago at a dinner Monday evening. Both of the guests gave talks and then there was informal discussion. There were 26 on hand.

### New I. M. U. A. Member

The Birmingham Fire & Marine has been elected a member of the Inland Marine Underwriters Association.



## MARINE INSURANCE NEWS

### Can Cover Automatic Signs

**Inland Marine Underwriters Association Sends Out a Bulletin on Electric News Device**

NEW YORK, May 29.—Automatic electric signs to be used for publishing news now can be properly insured under a marine policy, according to a bulletin just issued by the joint committee on interpretation and complaint, of the Inland Marine Underwriters Association, which reads as follows: "The subject of the insurance of neon signs, street clocks and automatic electric signs for publishing of news is not specifically treated within the nation-wide definition and interpretation. Pending further study and review of the subject, the writing of neon signs, street clocks, and automatic electric signs for the publishing of news, while in use as such, under a marine or inland marine policy, will not be considered as a violation of the spirit or intent of said definition and interpretation."

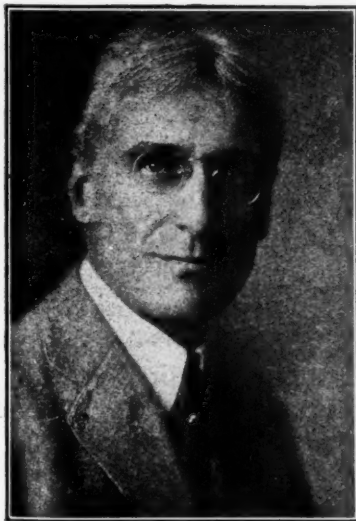
A second bulletin issued by the committee concerns "check room policies." It reads: "The liability of a proprietor, operator or lessee of a check room with respect to the property checked with it, may not be insured under a marine or inland marine form of policy."

### J. A. Brennan Again Joins McGee & Co. in Chicago

J. A. Brennan, who resigned as special representative in Ohio for Appleton & Cox, has become reassociated with W. H. McGee & Co., the New York marine firm, in its Chicago office. He will travel under the direction of Manager John Osterbye of the Chicago office.

Mr. Brennan had been connected with Appleton & Cox in Ohio about three

### Talks to Bankers



**HENDON CHUBB**

Hendon Chubb, president of Chubb & Son, appeared before the meeting of the New Jersey Bankers Association at Atlantic City, as a representative of the Foreign Bondholders Protective Council. This is an organization that is carrying on negotiations in an attempt to minimize the loss to investors in this country in foreign bonds. Mr. Chubb appealed to the members of the New Jersey Bankers Association to join the council.

years. Previously for a time he was with the marine department of Crum & Forster in Ohio. He went with Crum & Forster after he resigned as Chicago manager of W. H. McGee, a position he held about a year. Before that he was connected with the western marine department of the Fireman's Fund.

### Empty Gasoline Tank Hazard

NEW YORK, May 29.—Warning against the danger lurking in empty gasoline tanks has been issued by the Continental, which points out that violent explosions occurred on 16 tank ships in recent years, vapors being responsible. In these vessel explosions, 14 of which took place while the vessels were being repaired, a large number of lives were lost, and in addition many were seriously injured.

### Atlas Marine Appointment

The Atlas Assurance has appointed the Sterling Underwriters as its metropolitan agents in New York City, having terminated its connection with Oscar Snow, who formerly handled the company's marine lines. Existing business will be taken care of by the home office until date of its expiration.

### Martinsen with St. Paul

Harry O. Martinsen, manager of the yacht division of the marine department of Mathews & Livingston, Pacific Coast marine general agency with head offices in San Francisco, has joined the marine department of the St. Paul Fire & Marine group in its Pacific Coast department, of which A. B. Knowles is manager.

### Bicycle Insurance Market

Due to the increased interest in bicycling, the matter of insurance on these vehicles comes up from time to time. One of the stock companies started to write this business, first restricting its writings to so-called bicycle clubs, and then later writing individual bicycles. The experience has proved poor for this company, particularly on its bicycle club business.

There is now another market, the Mill Mutuals issuing a bicycle policy. The insurance is written in the Grain Dealers National Mutual Fire of Indianapolis.

### Represent General of Seattle

ST. LOUIS, May 29.—The Ploeser-Moseley-Watts general agency is now serving as marine general agent for the General of Seattle and the First National in Missouri, Illinois, Indiana, Kentucky and Tennessee. Louis G. Lower is in charge of the agency's marine department.

### High Court to Weigh Case

WASHINGTON, May 29.—The U. S. Supreme Court agreed to review during its fall term a decision of the United States Court of Claims holding that the Atlantic Mutual was entitled to recover \$48,099 from the United States as a general average contribution arising as a result of a fire in 1918 aboard the Army transport Logan, carrying military supplies and personnel, Red Cross supplies and property of the government of the Philippine Islands and the Manila Railroad Company to the Philippine Islands and Vladivostok, Siberia.

The company, which had insured the cargoes of the island government and the railroad, made good the damage occasioned by the fire and sought to secure a general average contribution from the war department.

A general average statement was prepared for the department and issued in 1926, and in 1929 the company brought action in the court of claims. The government sought to dismiss on the

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130th ANNIVERSARY

1935

50th ANNIVERSARY of UNITED STATES BRANCH

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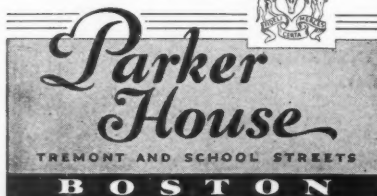


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ground that the action was brought more than six years from the date when the cause of action first accrued, but the court overruled the motion and held that the company was entitled to recover. The government thereupon appealed to the Supreme Court.

The court also consented to review a decision under which the Camden Fire could join two policies of fire insurance, one to Pete DiGiovanni and Mary DiGiovanni, covering a building, and the other, to Pete DiGiovanni, covering its contents, in order to make the amount involved more than \$3,000 and thereby subject it to the jurisdiction of the federal courts.

## Nebraska Agents Reelect Officers

(CONTINUED FROM PAGE 2)

boards was urged. In cities in which local boards are co-extensive with the state association, it was suggested that the president of the local board be a member of the state advisory committee.

A comprehensive report of the last legislative session was presented by Frank Helvey, secretary Nebraska Insurance Federation. It was the most trying legislative period from the insurance angle experienced for a number of years. Mr. Helvey said that the legislature as a rule is composed of intelligent men, but this year it seemed that no amount of argument or explanation could get the desired results. The state bonding bill was at the bottom of the antagonistic legislative attitude toward insurance and the controversies brought about by the measure brought reaction against all other lines.

### Moose Well Received

Commissioner C. W. Moose spoke at the banquet and was received with a great ovation. Insurance agents of Nebraska can have just the kind of an insurance department they want and it is up to them to keep close to the policyholders and determine the kind of insurance department, he said.

To the agent goes the greater amount of credit for what the business accomplishes. For that reason Mr. Moose proposes to keep in close contact with the agents in their efforts to best serve the policyholders. Confidence plays an important role in the sale of insurance and if the insurance department functions efficiently, the people will have confidence in the companies it licenses. He asked cooperation in building an insurance department that will command confidence and respect. The two fee bills recently passed by the legislature provide the insurance department with adequate funds for the first time in history.

### Compliance Committees Asked

Mr. Moose asked the agents to appoint statutory compliance committees in the principal cities throughout the state. These committees will assume the responsibility of investigating all complaints and infractions that arise in that particular community. In Lincoln and Omaha special committees for each classification were suggested by Mr. Moose.

At the final session W. E. Lowry, Fireman's Fund, Chicago, explained the personal property floater policy and answered a number of questions. J. B. Hillers, Hastings, expressed appreciation of the work accomplished by the National association's Washington office. The location of the next convention was left to the executive committee. New executive committeemen are to be appointed by President Dunbar.

"The Agent and Traffic Accidents" was discussed by Charles Haatanen, Omaha manager National Bureau of Casualty & Surety Underwriters.

F. T. B. Martin of Omaha in his talk devoted his attention to legislation in the state. He referred to the new unicameral legislature that will be in vogue in Nebraska and told how it differs

from the bicameral form consisting of two bodies.

Mr. Martin said in view of the limited number of legislators that will compose the next legislature and the necessity of securing representative men it is paramount that all interested in good government should use their best endeavor to secure legislators of honesty, experience and integrity.

Mr. Martin said that it is highly important that agents contact representatives from their districts and talk over with them some of the insurance problems. He said that among the more important is the valued-policy law, its relation to arson, and its contribution to penalizing honest assured. Then comes the necessity of safety laws to reduce the number of automobile and industrial accidents. Furthermore the state insurance department should be given ample appropriation so that the public will be better protected. The subject of taxation and its levy on insurance is a vital one.

### W. B. Calhoun's Talk

W. B. Calhoun of Milwaukee, former president of the National Association of Insurance Agents, was one of the chief speakers. He called attention to the tendency on part of companies to reduce agents' commissions when some saving has to be made. This was brought to the front, he said, by the casualty companies when they were unable to secure proper increases in rates particularly as to compensation insurance in Wisconsin and Minnesota. He said that he did not believe that the agents should be called upon to suffer the penalty.

Mr. Calhoun stated that in his opinion the National association had done a very practical, worth while thing in establishing a service office at Washington, D. C. The National body has accomplished much in its work in shaping up the HOLC program. Local agents, he said, have benefited because of the National body's great work in the organized agency movement.

## CONVENTION-ALITIES

C. J. Reynolds, Reynolds Brothers general agency, Fremont, Neb., was piloted around by Judd Crocker, independent casualty adjuster of Omaha.

Hayden Ahmanson, secretary National American Fire of Omaha, was in attendance.

The nominating committee consisted of Carroll Morrow, Kearney; O. L. Elbrook, Hastings; Ray Stryker, Omaha; William Downing, Lincoln, and Paul Houston, Grand Island.

Secretary T. A. Bryan reported the membership was 99, a gain of 30.

Members of the resolutions committee were J. B. Hillers, Hastings; Roscoe Alexander, Omaha, and Fred Groth, Lincoln.

A. H. Brown, Hastings, past head of the Nebraska Blue Goose, was toastmaster at the banquet.

George E. Shank, state agent Fireman's Fund, recently moved from Indianapolis to Topeka, Kan.

Earl Gibbs, assistant manager western department, Boston and Old Colony, Lansing, Mich., was a guest.

R. E. Hawley, manager of the Travelers casualty department in Omaha, was master of ceremonies at the banquet. "Bill" Calhoun, the honored guest from Milwaukee, sang several songs and was encored seven or eight times.

A. E. Hayes, assistant Omaha manager of the Travelers, gave an inspirational and educational lantern slide talk based on highway accidents.

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 27, 1935

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas. ....	10	2.50*	81	83
Aetna Fire .....	10	1.60	52	54
Aetna Life .....	10	.60*	22	24
Agricultural ...	25	3.00	80	83
Amer. Alliance..	10	1.00	22	24
Amer. Equitable.	5	1.00	21	23
American (N. J.)	2.50	.50	12 1/2	13 1/2
Amer. Reins. ....	10	2.50	50	52
Amer. Reserve..	10	1.00	22	24

Stock	Par	Div. per Share	Bid	Asked
Amer. Surety ...	25	1.00	40	42
Automobile .....	10	1.00	29 1/2	31
Baltimore Amer.	2.50	1.00*	5 1/2	6 1/4
Bankers & Ship.	25	3.25*	83	85
Boston .....	100	16.00	560	570
Camden Fire ...	5	1.00	21	23
Carolina Fire ...	10	1.10*	24	26
Central Surety ..	20	.50	20	22
City of N. Y.				
Ins. (new) .....	10	1.00**	23 1/2	25
Contl. Assur. ....	10	2.00	37	39
Contl. Casualty..	5	.60	16 1/2	17 1/2
Continental .....	2.50	1.20	34 1/2	35 1/2
Excess .....	5	.50	14	15
Federal .....	10	2.50*	74	76
Fidelity & Dep..	20	1.00	71	73
Fidelity-Phen. ...	2.50	1.20	34	35
Fire Assn. ....	10	2.00	62	64
Fireman's Fund.	25	3.00	83	85
Fireman's F. Ind.	10	...	33	35
Firemen's (N. J.)	5	...	6 3/4	7 1/2
Franklin .....	5	1.20*	25	27
Georgia Home ...	10	.50	25	26
Glens Falls ....	5	1.60	35	37
Globe & Repub..	5	...	8	10
Gl. & Rut. (com.)	25	...	19	22
Gt. Amer. Ins..	5	1.00	23	24 1/2
Gt. Amer. Ind..	1	.15	6 3/4	7 1/2
Halifax .....	10	.90	18	20
Hanover Fire ...	10	1.60	37	39
Harmonia .....	10	1.10*	23	25
Hartford .....	10	2.00	69 1/2	71
Hartford St. B..	10	2.80	70	72
Home Fire & M.	10	2.00	39	41
Home (N. Y.)...	5	1.20*	27	28
Ins. Co. of N. A.	10	2.00	63	64
Maryland Cas. .	1	...	1 1/4	1 3/4
Mass. Bonding..	12.50	...	17	19
Merchants & Mfr.	5	...	5	6
Merch F. Assur.	2.50	1.25*	37	39
Monarch Fire ..	4	...	5 1/2	7
Natl. Cas. ....	10	.40	13 1/2	15
Natl. Fire .....	10	2.00	66 1/2	68
Natl. Liberty ...	2	.30*	6 3/4	7 1/4
Natl. Union F..	20	1.50*	118	122
New Am. Cas..	2	.40*	8	8 1/2
New Bruns. F..	10	1.15*	26 1/2	28
New Cent. Cas..	50	...	22	...
New Hamp. F..	10	1.60	47	49
New Jersey ....	20	1.60	42	44
New York F. ...	5	.30	14	15
North. F. & M.	12.50	3.50*	85	90
North. F. & M.	10	1.00	20	...
Northw. Nat. Cas.	2.50	...	5 1/2	6 1/2
Northw. Nat. F.	25	5.00	123	127
North River ...	2.50	.85*	25	26
Ohio Cas. ....	50	4.00	75	85
Pacific Fire ...	25	3.25*	95	98
Pacific Mutual ..	10	.25*	12	14
Philadelphia Nat.	10	.90	15	17
Phoenix .....	10	2.50*	86	88
Preferred Acci..	5	...	10	12
Prov. Wash. ....	10	1.10*	37	39
Rhode Island ...	5	...	6	7
Rochester Amer.	10	1.00	18	20
Rossia .....	5	.60	10	11
Seaboard .....	8	...	5 1/2	6 1/2
Seaboard Surety.	10	...	11	13
Security .....	10	1.40	36	38
Southern Fire ..	10	1.00	22	23
Springfld. F. & M.	25	4.50	119	122
St. Paul F. & M.	25	6.00	177	182
Standard Acci..	10	...	2	5
Travelers .....	100	16.00	465	480
U. S. F. & G..	2	.9 1/2	10 1/2	...
U. S. Fire .....	4	1.70*	47	49
Westchester ....	2.50	1.40*	29	30

\*Includes extra.  
†Paid this year.  
\*\*Based on old stock.  
‡Paid last year.

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# The National Underwriter

May 30, 1935

CASUALTY AND SURETY SECTION

Page Twenty-nine

## Pennsylvania Body Elects J. S. Fisher

Former Governor and National Union Fire Chairman Heads Federation

### HUNT TELLS OBJECTIVES

Standardization of Policies, Casualty Rating Bureau and New Code to Be Sought

Former Governor John S. Fisher of Pennsylvania, chairman of the board National Union Fire, was elected president of the Insurance Federation of Pennsylvania at its annual meeting in Pittsburgh, succeeding Alvin D. Beyer, president of the late H. G. Scott. J. D. Pharaoh of Philadelphia was chosen treasurer and and H. W. Teamer of Norristown was retained as secretary-manager.

J. V. Herd, vice-president and secretary of the Fire Association, was chosen first vice-president and Jay N. Jamieson, executive vice-president of Reliance Life of Pittsburgh, vice-president to succeed the late H. G. Scott. J. D. Pharaoh of Philadelphia was chosen treasurer and and H. W. Teamer of Norristown was retained as secretary-manager.

#### Other Officers Elected

Other officers reelected are: Vice-presidents: W. J. Anthony, Pittsburgh; F. D. Buser, Philadelphia; E. E. Cole, Jr., Pittsburgh; W. B. Corey, Philadelphia; Thomas B. Donaldson, Newark; Elwood Hoot, West Point; W. F. Kendrick, Philadelphia; W. G. McBlain, York; W. E. Roehrs, Philadelphia; Fred A. Service, Sharon, A. M. Waldron, Philadelphia, and A. S. Wickham, Philadelphia. There were 57 directors elected.

The standardization of policy forms was enumerated among the prime objectives of the Pennsylvania insurance department by Commissioner O. B. Hunt. An effort will be made to completely organize the insurance department so that illegal and grossly unfair contracts can be completely obliterated which will be a fundamental step toward standardized policy forms. The ultimate result will bring about uniform company practices, uniform court decisions and uniform rates. The policyholder will be able to understand when he purchases a certain type of contract that he will be covered in a certain manner and not in a more restricted manner as some companies might see fit to include in their contracts. This task will take time, but will be of great service to companies and policyholders.

#### Great Responsibility

Mr. Hunt cited the great responsibility of the Pennsylvania insurance department in supervising domestic and foreign insurers with aggregate resources of over \$24,000,000,000. His specific program for a more efficient insurance department was outlined. He has already established a division of company control to audit the annual state-

(CONTINUED ON PAGE 39)

## Casualty Actuaries Hear Accident & Health Speakers

PAPERS PRESENTED BY THREE

Miller Discusses Non-Can Problem—Hart Treats Trend in Commercial While Crane Handles Reinsurance

Dealing with the history and present status of non-cancellable accident and health insurance, J. H. Miller, actuary Monarch Life, in a paper presented at the meeting of the Casualty Actuarial Society at Briarcliff Manor, N. Y., said that the unsatisfactory results with disability benefits and non-cancellable insurance of the life indemnity type were probably due to overinsurance and adverse selection more than to any other causes, although there are many arguments in support of the now common belief that permanent disability is not a proper subject for insurance.

The past few years have marked a turning point in the non-cancellable business, he said, evidenced by an almost complete change from the life indemnity to the aggregate indemnity form. While the principal companies that have written the aggregate form have found it satisfactory and profitable, it should be mentioned that these companies have specialized in non-cancellable accident and health insurance, he pointed out.

#### Business Must Be Sold

"Their favorable results have probably been due to this fact as much as to the limitations contained in their policies," he continued. "To obtain a satisfactory selection it is necessary that the business be sold rather than bought. For this reason, it is doubtful if any company can add non-cancellable insurance as a sideline and obtain as favorable results as the company which concentrates on it."

Tracing recent developments in commercial accident and health, W. Van B. Hart, assistant actuary Connecticut General Life, declared that the tendency in the last few years toward standardization of policy language, elimination of frills and complicated policy benefits and toward scientifically determined premiums has put accident and health insurance in a much more satisfactory position than for many years. He predicted that the business would benefit by getting away from its traditional aversion to frequent rate changes and said that "if by keeping track of current experience accurately we are able to see the need for any major rate changes and act promptly it will be for the best interests of the business."

#### Reinsurance of the Line

It would be beneficial both to reinsurers and direct-writing companies if accident and health reinsurance could be made to stand on its own feet, said H. G. Crane, controller General Reinsurance.

"For some time it has been the custom among reinsurance companies to extend accident or health facilities only to direct-writing companies with whom there are in effect reinsurance treaties covering other kinds of insurance. In other words it has come to be accepted as a matter of course that underwriting

## Announce Final Program of H. & A. Conference Sessions

MEET IN DETROIT JUNE 11-14

Special Sessions Devoted to Agency and Legal Problems—Will Discuss Manual Simplification

The completed program for the annual meeting of the Health & Accident Underwriters Conference in Detroit June 11-14 was announced this week. Tuesday, June 11, will be given over to the golf tournament, with trips through the Ford Motor Company's River Rouge plant and Greenfield Village for non-golfers. Several special entertainment features are also provided for the ladies, including a bridge tournament Thursday afternoon. The annual conference dinner will be held Thursday evening. The program for the business sessions follows:

#### Wednesday Morning, June 12

Call to Order, G. F. Manzelmann, presiding.

Address, J. W. Frazer, vice-president Chrysler Sales Corporation, Detroit.

"What Next?" Claris Adams, executive vice-president American Life, Detroit.

President's Address, G. F. Manzelmann, vice-president, North American Accident.

#### Afternoon

Legal Topics, Thos. Watters, Jr., chairman legal committee, presiding.

Address of Welcome, H. C. Walters, general counsel National Casualty.

"Damage Suits Resulting from Delay in Issuing Policies," R. J. Wetterlund, Washington National; discussed by S. A. Ralph, Craftsman; C. O. Pauley, Great Northern Life; J. H. Torrance, Business Men's Assurance.

"Anticipatory Breach of Contract," O. B. Hartley, Great Western; discussed by E. St. Clair, North American Accident; J. M. Powell, Loyal Protective; Ross Ream, National Protective; E. W. Dillon, United Commercial Travelers.

(CONTINUED ON PAGE 39)

losses on accident and health reinsurance are probable and the reinsurers have sought to counteract this by securing sufficient amounts of profitable business of other classes. This is obviously an unsound arrangement.

"The reinsurance companies cannot afford to subsidize the accident and health business indefinitely from the proceeds of other classes of insurance, for profits from the other lines are by no means certain. From the ceding companies' standpoint, steps which will improve the reinsurers' experience will in most cases benefit their own experience as well. Hence it is in the ceding companies' interest to so adjust their underwriting policies that their reinsurers will have an underwriting profit."

A change suggested by Mr. Crane was the retention by the direct writing company of a disproportionately larger amount of principal sum than of weekly indemnity. The effect of this would be, he said, that a larger proportion of the reinsurers' business would relate to the disability coverage, on which there is less disparity between the loss ratios on large and small policies. More careful underwriting and lower limits should help the relatively worse experience on large risks, he said.

## Urges Commission Cut and Dividends

Future of Stock Companies in Compensation Jeopardized Unless Plan Revamped

### Views of W. W. Greene

Vice-President of General Reinsurance Delivers Provocative Address Before Casualty Actuarial Society

BRIARCLIFF MANOR, N. Y., May 29.—Threats of monopolistic state funds for compensation, because of which not only that branch but "between a quarter and a half of the entire casualty business is in imminent danger," can best be quelled by stock companies adopting the participating plan for compensation and lowering their commission scales, W. W. Greene, vice-president and secretary General Reinsurance, told members of the Casualty Actuarial Society in his presidential address at the society's meeting here.

The swiftness of recent political changes makes it plain that there is real danger that the field of compensation insurance will suddenly be closed to private carriers not merely in one or two states, but in all or practically all of them, he said. While there are those in the business who would as soon let the states take over that branch, there is scant cause to believe that the movement will stop there, he warned.

#### Urges Militant Attitude

The first step should be the assumption of a militant attitude, assuring the world that although there are many difficulties inherent in the compensation business the casualty companies of the United States are perfectly capable of surmounting them. While this will be an excellent start, Mr. Greene warned that it will be no more than that "unless it is accompanied by an honest and unflinching effort to adapt private compensation insurance more closely to the needs of the public."

"The chief trouble with compensation insurance lies in the operating plan of the stock carriers," said Mr. Greene, after making it clear that he was not criticizing the rate-making plan by which manual rates are made. "This operating plan has broken down badly not only because it carries an acquisition cost which is higher than is economically justified, at least for fair-sized risks, but also it provides no way whereby a company whose aggregate loss and expense costs are less than the average may share the resultant saving with its assured, either through rate reduction or by way of a dividend."

"It is probable that the selective process now operating against the stock carriers will be considerably slowed down if we enter a period of unusual prosperity. It is not inconceivable that

(CONTINUED ON PAGE 37)

## Surety Men Are Interested in the Sweitzer Shortage

### MANY QUESTIONS INVOLVED

#### Speculation Is Heard as to Possibility of Liability Under Bond of Former Cook County Clerk

Surety people in Chicago have been following closely the developments in connection with the audit of the office of clerk of Cook county, which was held for many years up until October of last year, by Robert M. Sweitzer. The audit showed a shortage of more than \$400,000. Sweitzer, one of the leaders in the Cook county Democracy, and a champion vote getter, is now county treasurer.

As county clerk, Sweitzer was bonded in the amount of \$100,000. Throughout the years, the surety was the United States Fidelity & Guaranty, the bond having been placed through the late George E. Brennan, who was boss of the Democratic party in Cook county.

Official notice has now been served on the U. S. F. & G. of the shortage. Sweitzer has been given until next Monday to make good the shortage.

#### Speculate as to Liability

Surety people are speculating on the possible liability of the U. S. F. & G. under the bond. The various transactions contributing to the shortage occurred over a period of years and there is a question whether the total liability, if any, of the U. S. F. & G. is limited to \$100,000 or whether there is possibility of cumulative liability.

Sweitzer is bonded as county treasurer in the amount of \$3,000,000. When he first went in office he was bonded by personal sureties, but these were replaced by corporate sureties. There are about 19 companies on the bond on a co-surety basis. The originating company is the Fidelity & Deposit and the agency is Horan & O'Brien, composed of Al Horan, chief bailiff of the municipal court, and M. J. O'Brien, former chief clerk of the sanitary district of Chicago.

#### No Move to Cancel

There has been no move on the part of these sureties to cancel the bond. However, the interested companies were watching the situation closely with the possibility of cancellation in mind. There is no thought that there is any loss under the treasurer's bond. The companies are privileged to cancel the bond, with or without cause, some believe.

Chicago's surety people were besieged by newspaper reporters, who wanted to see the application that Sweitzer made out for his treasurer's bond. Newspapers were interested in finding out what assets Sweitzer listed. The reporters were persistent despite the fact that it was explained to them that the application is strictly confidential as between the surety and the applicant. The newspapers also wanted to find out whether the sureties proposed to cancel the treasurer's bond.

Most surety people who have been speculating on the case, wonder whether there will be any liability at all upon the surety on the county clerk's bond. Most of the shortage is accounted for in the so-called tax redemption fund. This fund consists of money that was paid in in redemption of property that has been sold for taxes and never claimed by the buyer of the tax title. Those funds therefore belong to the person who has bought the tax title on the property. There is no legislation covering this fund and its status is therefore indefinite. There is a question as to what the responsibility of the county clerk is in regard to this fund.

The rest of the shortage is made up principally of interest on deposits that was not turned over to the county.

## Why It Pays to Have Sufficient Golf Cover

The importance of selling golfers special liability policies is again emphasized by the settlement that was made out of court in New York City. A golf ball was sliced off the course of the Sullivan County Golf & Country Club at Liberty, N. Y., shattering the windshield of an automobile driven by August Sachs, a salesman. The club paid \$5,000 and the Travelers \$10,000 to Mr. Sachs, who suffered the loss of his right eye and is threatened with sympathetic complications to the left one.

A high school principal sliced a ball, crossing the fence which separated the course from the highway. It cracked into the windshield of Mr. Sachs' automobile. Mr. Sachs brought suit for \$100,000. The club carried liability insurance for \$10,000 and then the members raised an extra \$5,000 by mortgaging the club property and subordinating the liens of bondholders. Since then the club has taken out liability insurance amounting to \$100,000.

## Drinking Hazard Seen as Worse on Individual Cars

Some executives, who are particularly concerned because of the relation of drinking to automobile accidents, express the belief that the experience on automobile fleet business is destined to be better than that on the individual cars. Accordingly one of the companies at least is putting on a drive for fleet business at this time.

The theory is that the amount of drinking among drivers of commercial cars has not increased to anything like the extent of drinking among private passenger car drivers. Furthermore they say that the hazard of the intoxicated pedestrian is not so serious in the daytime, when most of the commercial cars are in operation, as in the evening.

Then there is the general proposition that fleets are susceptible to engineering and safety control; that the premium justifies some attention being given on these scores and the drivers will heed the suggestions when they are backed by the employer.

#### U. S. F. & G. Cincinnati Talks

The Cincinnati office of the United States Fidelity & Guaranty successfully closed last Saturday the sixth of a series of instructive meetings in which the various casualty lines were discussed for 30 local brokers. Harry Bibby, assistant superintendent of the compensation and liability department from the home office, closed the series with a talk on public liability. The meetings will be resumed in October.

There is no law governing interest and this feature is likewise indefinite. Accordingly it is not likely to be an open and shut case so far as liability under the bond is concerned.

Sweitzer has figured indirectly in the insurance picture in Chicago recently, inasmuch as he is the one who is designated receiver under the Skarda act. In that capacity, he acts to collect taxes and has certain authority in connection with the property. There have been reports that the Skarda act receiver has been dictating how the insurance should be handled on these properties.

Sweitzer is known to accident and health insurance people since he is a director of the Illinois Commercial Men's Association and served at one time as president of the International Claim Association.

## Agents Play Large Part in Campaign for Motor Safety

### SUGGESTIONS FROM HAATANEN

#### National Bureau Engineer Tells Nebraska Body Some Courses That May Be Pursued

At the annual meeting of the Nebraska Association of Insurance Agents at Hastings, C. E. Haatanen of Omaha, resident engineer of the inspection office of the National Bureau of Casualty & Surety Underwriters at Omaha, gave some observations as to automobile traffic accidents and their appalling toll. Last year there were 36,000 people killed, nearly 1,000,000 injured and the economic loss was \$1,500,000,000. The speaker gave six prime causes for automobile accidents. They are driving too fast for conditions, improper passing, failure to obey traffic signals, improper turning, driving on the wrong side of the road, driving with defective equipment.

#### Automobile Speed Accented

There are now 26,000,000 cars in the United States and there are 480,000 in Nebraska. The maximum capacity of the average automobile a few years ago was 60 miles an hour and now some are guaranteed to travel as fast as 110.

Mr. Haatanen pointed out that during the last 10 years or so much progress has been made in industrial plants in reducing accidents through the preaching of safety and the guarding of machines. In his opinion there are three main factors through which traffic safety work should be conducted by insurance people. One is by the companies that conduct the national safety work through various educational mediums. Next is the work of the National Bureau of Casualty & Surety Underwriters and the third is the influence of local agents.

#### Agents Should Take Lead

The agents, he declared, should be the leaders in their respective cities in everything leading to traffic safety. In some cities the local agents have made a systematic effort to reduce accidents and they have been successful. He pointed out, for instance, what was done last year in Syracuse, N. Y. He said for 18 months the agents were the driving force behind a campaign which resulted in a marked improvement in conditions. The experience was so favorable that Syracuse earned a reduction in liability premium charges. He said that agents in any city can carry on a similar campaign and get similar results.

#### Program for Counsel Meet

The tentative program for the annual convention of the International Association of Insurance Counsel at White Sulphur Springs, W. Va., Aug. 28-30 is announced by W. R. Mayne, president.

The speakers will include R. H. Jackson, general counsel internal revenue department; J. H. Collins, attorney Metropolitan Life, on "Introduction of the Common Law of Life Insurance"; H. S. Ives, special counsel Association of Casualty & Surety Executives; L. B. Jones of Mississippi, on "The Case at Bar"; R. L. Webb of Kansas, on "Liability of Insurance Company When It Takes Full Charge of the Investigation and Defense"; L. P. Kristeller, New Jersey, "Mortgage Under the Standard or Union Mortgage Clause, Some of His Rights and Liabilities"; R. B. Montgomery, Jr., Louisiana, "The Effect of the Presumption Against Suicide Upon Burden of Proof in Life and Accident Cases," and Willis Smith of North Carolina.

The Standard Mutual Automobile Insurance Association of Council Bluffs has been licensed by the Iowa department to write full coverage automobile.

## LEGISLATIVE DIGEST

**Michigan**—Michigan legislature adjourns with few enactments of insurance measures. The motorists financial responsibility act was extensively amended but the changes are mainly of a technical nature to facilitate operation of the law. Some relatively minor changes were made in workmen's compensation act, but the law was not generally liberalized as sought. A commission was created to study advisability of including occupational diseases under the compensation act and to report at the next session.

**Alabama**—Ways and means committee refuses to eliminate provision of new revenue bill increasing premium tax on foreign life and casualty companies from 2 to 2½ percent. The tax on domestic companies remains at 1½ percent.

#### AUTOMOBILE

**Missouri**—Senate passes conference committee automobile drivers license bill, limiting the fee to 50 cents for two years. The bill has gone to the house for final action.

**Wisconsin**—Assembly kills Bichler-Laack bill repealing part of the comparative negligence act relating to automobile accident cases which permits collection of the entire damage claim from any one judgment defendant in suits brought against several persons. Under the law it is now possible to recover from any one person financially able to pay if the other defendants are not able, regardless of the percentage of negligence determined for each person involved.

#### COMPENSATION

**Florida**—Governor signs measure giving Florida a compensation act.

**Nebraska**—The conference committee named to iron out differences between the house and senate on the compensation court bill recommended that the request of insurance companies that a \$200 limit be placed on the compensation to be paid in any case except upon court order after a hearing be reinserted in the bill, but the house disagreed and a second conference committee was named. The first one had also recommended that the salary of judges be raised to \$3,600 and that of the secretary to \$2,400 a year, but the house refused to accept these recommendations.

#### ACCIDENT AND HEALTH

**Illinois**—House reports favorably on bill authorizing organization of non-profit hospital service corporations under the supervision of the insurance director.

**Ohio**—House passes bill exempting contracts for health, disability or accident from creditor's claims. \* \* \* Senate passes bill prohibiting publication, advertising and soliciting business without compliance with the state insurance laws.

#### SURETY

**Nebraska**—A new liquor control law requires bonds of all wholesalers, distributors, makers and retailers.

#### May Regulate Taxi Coverage

**LINCOLN, NEB.**, May 29.—The Nebraska supreme court has affirmed the power of the state railway commission to prescribe the qualifications of insurance companies writing taxicab insurance in the state.

The decision was in a case from Omaha in which the district court had refused to issue an injunction asked against Jack Mann and other taxicab operators who had not furnished the type of insurance required by the commission.



## Suburban Auto Celebration of Its Tenth Anniversary

PRESIDENT DEICKE WAS HOST

Agents from Indiana and Illinois Called  
to the Head Office for  
Conference

E. F. Deicke of Lombard, Ill., president of the Suburban Auto, and Mrs. Deicke were hosts to some 300 guests from Illinois and Indiana in an all-day celebration which was climaxed by a dinner at the Medinah Country Club. Mr. Deicke founded the Suburban Auto 10 years ago. He has built up a strong organization in Illinois and is now branching out in Indiana. So pleased was he at the results that he decided to have a tenth anniversary celebration. J. M. Beverley of Chicago, special counsel for the company, served as toastmaster.

Some of the people present were J. C. Alderman, president of the Lombard village council and vice-president of the Great Lakes Dredge & Dock Co.; County Judge W. G. Knoch, A. F. Koring, secretary and underwriter; Edmond Forster, superintendent claims department; A. C. McKeown, special agent for northwestern Illinois; N. W. Oppenheim of Peoria, special agent for downstate territory. The agents were all delighted with the hospitality of the company.

## Products Liability Great Field, Says U. S. F. & G. Man

Great increase in sale of general liability insurance may be expected in the next few years, J. H. Bibby of the home office liability department of the United States Fidelity & Guaranty, stated in a talk before brokers of the midwestern division branch office in Chicago last week. The defense feature of these contracts is especially valuable in these times, due to the great number of fraudulent and padded claims. Products liability coverage has grown more rapidly than any other line, he said, with 50 percent increase in premiums received last year by stock companies, from \$1,000,000 in 1933 to \$1,500,000 in 1934. This is a field of tremendous potentialities, he stated, but the coverage must be written carefully, otherwise companies may suffer heavy losses and be forced to limit their writings in this line. The talk was one in an educational course conducted by W. O. Schilling and J. D. Hall, co-managers at Chicago. Mr. Hall presided.

## Standard Accident Auto Drive

The Standard Accident has placed in the hands of its agents carefully prepared material for an automobile insurance production campaign.

There are four direct-by-mail pieces and an illustrated folder to be used in personal solicitation, showing the various forms of coverage together with photographs indicating the need for protection and a summary of the protection and service provided by the Standard Accident.

The first of the mailing pieces is a self-mailing broadside, headed, "This is your responsibility." It is a challenge to the motorist who faces a responsibility to the public in the matter of auto accidents.

Then there is a piece entitled, "Two men bought cars." It tells a human interest story of two men and their experience in court, emphasizing the need for automobile insurance.

Then there is one, "Sorry we had to bring you in," being a discussion of the car owner's plight when the police act after an accident.

The final mailing is a sales booklet giving common sense suggestions for safe driving and pointing out that not

## Delivers Provocative Compensation Message



W. W. GREENE

W. W. Greene, vice-president of the General Reinsurance of New York, has again caused casualty people to sit up and take notice. Last year in a paper before the Casualty Actuarial Society, he presented some recommendations as to compensation insurance that attracted much attention and caused considerable comment.

This year in his presidential address before that organization he again made some provocative observations.

Mr. Greene is a student of the business. He weighs matters carefully and when he reaches a conclusion does not hesitate to speak. As an executive of a reinsurance company he is in some respects freer to speak his mind than is an executive of a direct writing company.

## High Courts Disagree on Taxi Cover Requirement

The North Carolina supreme court has held that the city of Charlotte did not have authority to require taxicabs to file a liability policy or bond for the protection of the public against loss due to personal injuries or death. The case was State vs. Gullede.

The higher court held that the authority "to regulate the use of automobiles . . . or other motor vehicles" conferred by the charter, or the authority "to license and regulate all vehicles operated for hire," or the "power to make . . . regulations for the better government" conferred by the general law, cannot be construed as intended by the legislature to authorize the adoption of an ordinance of the kind here involved, which establishes a public policy hitherto unknown in the general legislation of the state. The word regulate was used in the general municipal corporation act to confer upon the city the authority to make traffic rules, designate parking places, control the manner of solicitation of passengers, etc., rather than to confer authority to prescribe conditions precedent to the operation of such vehicles, when such authority transcends the policy of the general law, and is not expressly granted.

The Mississippi supreme court has upheld an ordinance of the city of Laurel requiring taxicabs to be insured in \$5,000/10,000 liability limits and \$1,000 property damage. That is not an unreasonable requirement, the court decided. The case was Brogan et al. vs. Hosey et al.

even caution and skill can entirely eliminate the need for automobile insurance.

## Pink Appoints Whelehan as Attorney in Mortgage Field

MARSTEN NAMED ASSISTANT

New York Insurance Superintendent  
Places Special Deputy in Charge  
of Legal Department

NEW YORK, May 29.—Superintendent Pink of the New York department has appointed J. Donald Whelehan as attorney of record for the Bond & Mortgage Guaranty Company, the largest of the 23 title and mortgage guaranty companies in liquidation or rehabilitation.

Mr. Whelehan will continue to act as special deputy superintendent in charge of the company's rehabilitation. Mr. Whelehan joined the department three years ago as assistant to the superintendent's attorney in liquidation of the Southern Surety. Later he was attorney to the superintendent in liquidation of the New York Indemnity and LaSalle Fire. He was named special deputy for the Bond & Mortgage Guaranty in 1933.

Russell Marsten Assistant

In his new position Mr. Whelehan will head a legal department of 90 persons with more than 20 lawyers. To assist him in his administrative duties Mr. Pink named Russell Marsten assistant special deputy in rehabilitation. He has been assistant special deputy of the New York Title and Mortgage Company and has wide experience in the mortgage and real estate field.

## Lloyds Contracts Canceled by Some Banks in Indiana

Due to the passage recently of a new insurance code in Indiana, some of the state banks there apparently have become nervous on account of their relationship with London Lloyds. Several bankers' blanket bonds with Lloyds, covering institutions in that state, have been canceled recently and replaced with contacts in licensed companies. This has caused considerable activity in the fidelity department of some of the companies that is most welcome. For several years, the tendency has been all the other way, bond after bond going off the books of domestic companies into the hands of Lloyds.

BARS LLOYDS INDIANA BONDS

INDIANAPOLIS, May 29.—There is no way for Lloyds to issue an acceptable bond in Indiana, not being admitted to the state and not having licensed commission agents. The Indiana law governing banking requires that "fidelity bonds written by surety companies will be approved by the department only when such surety companies are licensed to do business in the state of Indiana."

State banks are required to carry fidelity bonds acceptable to the banking department as above defined. While bankers blanket bonds are written on a continuing basis, a premium has to be written each year and a certificate issued, which must be filed with the department and comply with the above definition.

Indiana banking department officials believe there is not now an outstanding state bank bond issued by a company not regularly licensed in the state. According to a ruling of the comptroller of the U. S. treasury, national banks must conform to the requirements of the state laws of their domicile as to bonds.

W. A. Barr on Coast Trip

W. A. Barr, agency supervisor Massachusetts Bonding, is on a coast trip. He spent two weeks in Los Angeles with the W. L. Thomas agency and went from there to San Francisco.

## Apartment O.L. & T. Risk Claim Score 100 Percent

Casualty underwriters are wary of O. L. & T. risks because of the claim-mindedness of the public. This is especially true of risks operated by receivers because many times the receiver does not keep the building in repair. One Chicago underwriter had an interesting experience. One of his risks was a three apartment building in receivership and a glass door was broken on the first floor and cut a little boy's finger. No claim was made but two weeks later a woman on the second floor tripped on the stone step and fell and put in a claim. To keep the claim out of court the company paid \$20 but when the woman on the first floor heard about it she put in a claim for her little boy's finger. Later the claim man was sitting at the underwriter's desk telling about the experience on the risk and suggested that the company get off it when the telephone rang and the woman on the third floor called, saying that when she was taking a bath the plaster on the ceiling fell and hit her back and "would some one from the company want to come out and see it?" Score—100 percent.

## Action on Improving Juries Taken by Kansas City Group

KANSAS CITY, MO., May 29.—Members of the executive committee of the Liability Protective Association, Inc., organized in February to combat fake damage claims and excessive damage awards, met with all the judges in the nine circuit court divisions in Kansas City in a mutual effort to improve court procedure, especially by obtaining more representative jury service.

The meeting was arranged by Judge Ben Terte. Business men asked the assistance of the court in refusing an excuse for jury service unless absolutely necessary. They also asked the advice and suggestions of judges for other improvements, such as new legislation permitting circuit court judges to comment on evidence, a practice not now possible to Missouri.

The Protective Association, recognizing that many business men sought to evade jury service and that there was a constant lack of business representation on juries, recently mailed agreements to most of the large institutions in Kansas City asking the heads to pledge to serve when their names were drawn and to insist that their employees do likewise. Only 200 of these agreements have been returned signed.

One suggestion made by the judges was that the employer should require employees to serve on juries when called, but should pay them while they are doing so, inasmuch as the warrants for such service are for small amounts and often are not redeemable for full value. Judges emphasized that business men should not try to influence employees called to jury service.

ST. LOUIS STUDIES QUESTION

ST. LOUIS, May 29.—With the hope of improving automobile liability loss experience here the Associated Industries of Missouri and the St. Louis Chamber of Commerce are furthering the movement to obtain the best type of circuit court jurors possible. A meeting was held with the board of jury supervisors to ascertain how business men and the board can cooperate.

Graham Visits Chicago

John J. Graham, vice-president in charge of sales Hartford Steam Boiler, was in Chicago on an agency tour.

## De Celles Talks of Auto Measure

Massachusetts Commissioner Comments on Compulsory Liability Law

### OPPOSES A STATE FUND

Declares He Will Advocate Change in Present Act to Cut Down Loss Volume

BOSTON, May 29.—Commissioner F. J. DeCelles, at a luncheon given him by the Massachusetts Insurance Society, disclosed for the first time the basis on which he had previously claimed that compulsory automobile liability insurance rates next year would have to be higher than ever before.

"The rates for the present year," said the commissioner, "were based on losses

of \$16,000,000 for the previous full year, averaged in the five-year period, while the rates for next year will be based, under the existing law, on losses of over \$20,000,000 for last year, to be put into the last five-year average." He continued:

#### Compulsory Law Not Popular

"The automobile liability rates are getting so high that they are becoming confiscatory. The public conscience is becoming so numbed that thousands of claims are being put in far in excess of injuries sustained. The compulsory law, rejected by 39 states, is not popular. It is like the prohibition law, which was unpopular and which I always maintained could never be enforced for that reason. The compulsory law is in the same category and while it is a fine theory if it would work, we will never be able to bring the public around to what it means.

#### Will Try to Change the Law

"We have either to let the law stand, repeal it or change it. We have determined to try the latter. At present we are insuring against the small losses, as is shown by the fact that 31,000 of the 35,000 guest claims last year were for less than \$300. I am going to propose a law which will provide indemnity for death and dismemberment for pedes-

trians and occupants of cars in which the driver is not to blame. In cases where drivers are negligent the occupants of the cars will have to collect from the drivers. If the drivers of the latter cars do not pay in 90 days after judgment they will be off the road until they do. Careless and negligent drivers will be put into a Class A group, which may be expected to grow, and which will include those paying the highest rates. The 96 percent of careful drivers will get the benefit of lower rates as a result.

#### Opposed to State Fund

Commissioner DeCelles won applause when he came out flatly against a state fund. "When the public has developed such a claim consciousness with insurance companies paying the bill, what would they do if the state paid the bill?" he asked. "Every legislator would become a claim adjuster and failure to get a fat award for a client would result in a campaign against such a legislator for reelection," he declared.

President Frank W. Harrington of the society presided. E. C. Stone, manager Employers Liability, spoke of the great contribution of insurance to the needs of the people through the payment of over \$14,000,000,000 in benefits from 1930-1933. H. G. Fairfield, president of the Boston Board of Fire Underwriters,

gave a humorous address in which he presented the case of the general agents. President E. S. Litchfield of the Brokers Association of Massachusetts, pledged the cooperation of the brokers to the commissioner.

Mr. DeCelles is to be honor guest at a dinner in Boston June 4, sponsored by Massachusetts insurance people.

### J. W. Scherr, Jr.'s New Work

J. W. Scherr, Jr., a son of President J. W. Scherr of the Inter-Ocean Casualty, Cincinnati, will take over a part of the present duties of F. W. Sarles, agency assistant and director of publicity, when the latter assumes his new position as North Carolina manager at Greensboro. The younger Mr. Scherr has been associated with the company since 1931 doing claim work. He will edit "The Optimist," the monthly house organ. Mr. Scherr is a graduate of Kenyon College and is 27 years old. Upon his graduation from college in 1929, he went with the "Weekly Underwriter" in New York where he did both office and field work.

### Form New Industrial Company

J. G. Hand, until recently manager of the industrial department of the Standard Life of Jackson, Miss., and 19 others have joined in the formation of the North American Mutual, with headquarters in the Lampton building at Jackson, to write industrial, health and accident business, paying a small benefit for death from natural causes, on the stipulated premium plan. This is the first company of its kind ever organized in Mississippi. No officers have been named, but the directors authorized Mr. Hand to manage the company and conduct its affairs until an election is held.

### Standard Accident Appoints Miles

Chester A. Miles becomes field representative of the Standard Accident in Kansas City, Mo., and Kansas. He has formerly served with the Kansas City, Little Rock and St. Louis offices of the Travelers and more recently has been associated with the American Surety in Milwaukee.

### Indiana Auto Men Meet

The Indiana Insurers, composed of some 30 non-conference automobile insurance companies operating in Indiana, including stock and mutuals, met in Indianapolis Tuesday and discussed certain features of the new insurance code which affect automobile writing companies. A form will be prepared by George E. Traut, secretary of the organization, on which members will report rates to the insurance department, conforming with the requirements of the new law. There will be no change in present rates. Frank M. Chandler of the Central Mutual, Chicago, accompanied by Arthur W. Lewis, who has been appointed special agent of the company for Indiana, attended the conference.

### Services Self-Insurers

W. S. Haines, of Safety & Claims Service, addressed the Casualty Underwriters Association of Chicago last week. He told of his plans for handling self insured compensation risks. Instead of competing with brokers he has been cooperating, as the brokers would rather have a risk taken care of on compensation than let it go to a competing company which might demand the other lines.

### Twohig Goes to St. Paul

J. D. Twohig, city supervisor in the Chicago office of the United States Fidelity & Guaranty, and connected with the office for ten years, has been promoted to manager of the service department in the St. Paul office, effective July 1. No successor to Mr. Twohig in Chicago has been named as yet.

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## ACCIDENT AND HEALTH FIELD

### Strong Program Is Announced

**Speakers Listed for Annual Meeting of National Accident & Health Association in Detroit**

The National Accident & Health Association, which will hold its annual meeting at the Book-Cadillac Hotel, Detroit, June 14-15, has two very crowded speaking sessions Friday, with Saturday morning devoted entirely to business matters, including reports of committees, new and deferred business and election of officers. The entertainment features include a dinner and entertainment Friday night, with either golf or a sightseeing trip to Canada Saturday afternoon, and entertainment Saturday evening at one of the Canadian clubs, with the Accident & Health Managers Club of Detroit as host. R. H. MacKinnon, Massachusetts Bonding, Detroit, is chairman of the entertainment committee.

The Friday program, as announced by J. P. Collins, National Casualty, chairman of the program committee, is as follows:

#### Morning Session

President's Address, Armand Sommer, assistant to vice-president Continental Casualty.

"Agency Management," E. H. (Count) Mueller, state manager Pacific Mutual Life, Milwaukee.

"Is the Limited Policy of Assistance in Stimulating the Sale of Broader Coverage?" George Brown, Detroit, secretary Michigan Association of Insurance Agents.

"Securing and Training Agents," W. D. Mead, Pacific Mutual Life, Seattle.

#### Luncheon 12:30

"Seven Keys to Success," Ernest W. Owen, Detroit manager Sun Life of Canada.

#### Afternoon

Address of Welcome, Frank Couzens, mayor of Detroit.

"The Possibilities for the Future Development of Accident and Health In-

surance," G. E. Turner, president First Reinsurance.

"The Man Power in You," C. W. Young, president Monarch Life.

"Building a Successful Accident and Health Agency," A. M. Holtzman, manager accident and health department Colorado Life.

"Protecting Incomes," James C. Heyer, vice-president Commercial Casualty.

"What Group Disability Insurance Can Do to Increase Your Income," John J. Hill, field supervisor group and pension division Aetna Life.

"Changes," W. W. Morse, Portland, Me., vice-president Federal Life & Casualty.

"Selling a Commercial Risk" (a sales demonstration), George Graves, Detroit Insurance Agency.

"The Master Salesman," Harry C. Heffner, sales engineer.

"Inspections," Charles King, Hooper-Holmes Bureau, New York.

### Can't Evade Supervision by Avoiding Word "Insurance"

GREEN BAY, WIS., May 29.—An organization whose sole purpose is insurance, regardless of posing as an "association," cannot evade the control of the insurance department, according to an opinion from the attorney general to District Attorney Dorschel of Brown county.

C. R. Zimney of Green Bay pleaded not guilty when tried here on a charge of selling unlicensed insurance, maintaining that the National Mutual of Jacksonville, Fla., was not an insurance company but a mutual benefit association. The contract follows the lines of customary accident and health policies, although the words insurance, policy, premium and assured were avoided, and the words protection, membership, payments and member substituted.

Defining an insurance contract as "a contract whereby one party agrees to wholly or partially indemnify another for loss or damage which he

may suffer from a specific peril," the attorney general said: "The law looks to the substance rather than to the form and is not to be cheated. . . . The absence of the word 'insurance' can operate as no charm wherewith to wrest it out of the control of the insurance department."

### Allredge to Home Office

F. B. Allredge, who has been manager of the Occidental Life branch office in San Francisco, has been transferred to the home office and placed in charge of the accident and health department. Mr. Allredge has had long experience in the accident and health field. He was a vice-president of the old Lion Bonding of Omaha, which retired from business in 1921. He has represented the Occidental Life in San Francisco for a number of years, handling life as well as accident and health business. He is succeeded there by M. R. Nyman, formerly with the Northwestern National Life in San Francisco.

### "Agent" Jailed for Fraud

The Ohio department has been notified that "J. L. Barry" has been sent to the workhouse in Cincinnati for 30 days in connection with alleged fraud in writing health and accident policies. It is charged that he collected a \$5 premium, and that was the last heard of it. He is said to have represented himself as an agent of the Fidelity Health & Accident of Benton Harbor and National Casualty of Detroit.

### Honor Ackerman in Los Angeles

LOS ANGELES, May 29.—The monthly luncheon-meeting of the Accident & Health Managers Club was designated "Ackerman Day," in honor of past President P. H. Ackerman of Rowan & Co., who presided at the meeting. This was in accordance with the plan suggested by President C. M. Beall at the last meeting for honoring past presidents of the club. Following discussion of the awarding of cash prizes for individual production in National Accident and Health Insurance Week, a committee consisting of Mark

Wells, F. E. Dudley and C. J. Barnett was appointed to handle the matter.

H. A. Campion, assistant superintendent of the board of education, gave an interesting talk on adult education. He was introduced by George Gray, insurance instructor.

### North Dakota State Meeting

Twenty-five representatives of the Mutual Benefit Health & Accident and United Benefit Life attended a state agency meeting conducted in Fargo by C. T. Tollefson, North Dakota state manager. The home office was represented by D. M. Brovan, agency director; Ray H. Hawkins, chief underwriter, and C. L. Gurney, agency supervisor.

## Workmen's Compensation

### Discounts Hazard of Silicosis

**New York Industrial Commissioner Believes New All-Inclusive Disease Act Will Not Prove Expensive**

Industrial Commissioner E. F. Andrews of New York estimates that the new all-inclusive occupational disease act in that state will add less than 2 percent and perhaps less than 1 percent to the cost of compensation insurance in New York.

The insurance people estimate that the number of employees exposed to silica and other dust diseases in New York total 20,000. That is an outside estimate, he contended. The division of industrial hygiene of the state department of labor estimates that about 3,000 workers, of whom 2,000 are stone cutters, are under serious exposure to silica dust. About 2,200 workers are subject to moderate exposure, about 3,000 to slight exposure and 31,000 to negligible exposure.

He cited the experience in Massachusetts and Wisconsin. In the Bay State, in the four years ended June 30, 1933, there were only 116 awards for silicosis and tuberculosis. Eighty-four were in the granite industry, 10 in foundries and 22 in all other industries.

Bringing silicosis and other dust diseases under the act will stimulate prevention, he said. Adequate exhaust systems, suction devices and the substitution of other substances for those containing silica will tend to lower the insurance rate and lessen the number and severity of claims.

### Oklahoma Hearing June 4

OKLAHOMA CITY, May 29.—The hearing before the Oklahoma insurance board on a proposed increase of 36 percent in compensation rates, which was scheduled for May 28, has been deferred to June 4 at the request of attorneys for both sides.

The Associated Industries of Oklahoma held a meeting in Tulsa to devise methods of protesting the proposed increase. Austin Rittenhouse, attorney for the companies, said the loss ratio for 1931 was 90.8 in Oklahoma on each premium dollar for medical expense, which left only 9.2 cents for operation.

### Order Newsboy Classification

The Oklahoma insurance board has ordered a separate rate and classification for newsboys in the compensation manual. The order grew out of the controversy between the Ponca City Publishing Company and the Oklahoma Compensation Rating Bureau.

### New Home Office Location

The Travelers Mutual Casualty is remodeling the former Firestone Tire Company building at 1013 Walnut street, Des Moines, and will occupy the third and fourth floors as the home office.



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## CASUALTY PERSONALS

**Byron Becker**, general agent Mutual Benefit Health & Accident, Red Oak, Ia., has made an unusual record there in the face of severe handicaps.

Just a year ago he went into the territory near Red Oak, where the drought had been the most severe and where prospects seemed the dimmest. Out of the heart of the drought-stricken area he was able to send 676 applications to the home office, landing on the company's roster as its eighth highest producer of health and accident applications.

He started his producing career at 24, having spent a few years after leaving school in the home office.

**Judge S. A. Ralph**, secretary and manager of the Craftsman Insurance Company of Springfield, Mass., has a daily disciplinary code. It is expressed in the prevailing form of alphabetical symbols. On his desk the visitor sees a small placard listing selected letters of the alphabet in an unintelligible jumble. Judge Ralph does not disclose the interpretation of these symbols but says they tell him what he did yesterday that he should not do today.

**R. A. Gowdy**, secretary of the United Casualty of Westfield, Mass., and one of the golf champions of the Health & Accident Underwriters Conference, will miss the Conference meeting in Detroit this year. It will be one of his rare absences, and only a conflict with the date of the 20th anniversary meeting of his Yale class at New Haven keeps him away.

**F. P. Stanley**, well known casualty executive, who recently connected with the R. D. Tweeddale Company at Baltimore to take charge of its casualty department, was in Chicago last week and is making a trip through the west in behalf of his agency. Mr. Stanley was formerly at the head office of the Travelers and then became vice-president of the Glens Falls Indemnity.

The **Farmers Mutual Automobile**, Madison, Wis., has recently purchased its own home office property at 312 Wisconsin avenue. After extensive alterations and improvements the company will occupy its own quarters Aug. 1. H. L. Wittwer is secretary.

**George Gannon**, former well known surety man of Chicago, has formed a partnership with Frank P. McGinn and Thomas M. Whitson under the firm name of Gannon, McGinn & Whitson to practice law with offices at 134 North LaSalle street, Chicago.

Superintendent L. H. Pink, G. S. Van Schaick, his immediate predecessor as head of the New York insurance department, and J. A. Beha, general manager of the National Board of Casualty & Surety Underwriters, will be honor guests at a luncheon conference sponsored by the **American Arbitration Association** at the Hotel Astor, New York City, June 4.

**Thomas Lonergan**, 65, vice-president of T. H. Mastin & Co., died at his home in Kansas City following a two-month illness. He had been in the insurance business more than 25 years. He joined the Kansas City reciprocal in 1917.

Mr. and Mrs. **Emil Giljohann**, Milwaukee, celebrated their 60th wedding anniversary at a gathering of their family and many intimate friends. Mr. Giljohann is a former Wisconsin commissioner and is still active in business as secretary-treasurer of the Time of Milwaukee.

**Walter H. Thompson**, assistant treasurer of the Lumbermen's Mutual Casualty and American Motorists, died at

his home in Evanston, Ill., following a heart attack. He had been in the business 25 years. He was connected with the Federal Mutual Liability of Boston prior to joining the Kemper organization in 1928 when the Lumbermen's re-insured the Federal.

**W. A. Chowen**, manager California Inspection Rating Bureau and chairman of the executive committee of the Western Safety Conference, to be held

in San Francisco June 11-13, appeared on the California Traffic Safety Council program on radio station KJBS, San Francisco. He urged greater care in driving automobiles and greater vigilance in the home, in an effort to reduce the toll of accidental deaths and injuries.

**A. Douglas Mennie**, superintendent bonding department Globe Indemnity and Royal Indemnity, San Francisco, will be married to Miss Sarah Agnes Bolton June 29. They will be away on a motor honeymoon trip for several weeks.

## Driver in Traffic Violation Is Responsible to Guests

LINCOLN, NEB., May 29.—Where an impatient motorist swings his car around the law-respecting drivers in front and thereby violates traffic signals and rules, the supreme court in *Rogers vs. Brown*, holds that it constitutes gross negligence and renders the offender responsible in damages to guest passengers. The court says that the law imposes upon motorists the obligation to use due care in dangerous situations if they wish to claim the exemption of liability to guests who may be injured.

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## NEWS OF THE COMPANIES

### Central Mutual Report Made

**Illinois Department Gives the Company  
Favorable Notice on Cash Posi-  
tion of Its Assets**

The Illinois department has made a report of its examination of the Central Mutual of Chicago. The report states that its improved financial condition as reflected in the report is the result of various rehabilitation measures effected during the last quarter of the year including the partial reinsurance of some business in force. Its cash position is good as it has approximately 50 percent of its admitted assets deposited in banks. The department states that the volume of business written in the future should be governed by its free surplus fund and thus avoid difficulties experienced in the past. Harold Shlensky is president and the main factor in the company. Frank M. Chandler, well known insurance man, recently joined the organization as head of its agency department. It is licensed in Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Missouri, Ohio, Tennessee, South Carolina, Wisconsin and the District of Columbia. It has specialized in taxicab, truck and fleet business but it is generally discontinuing taxicab and bus lines and is endeavoring to secure more private passenger car business.

#### Financial Exhibit Made

Its premiums amounted to \$1,031,895 of which \$691,827 were automobile liability and \$320,633 property damage. Its total income was \$1,190,007. It paid in losses \$331,759. Its total disbursements were \$883,734. Its assets are \$860,658, loss reserve \$309,920, premium reserve

\$251,667, net surplus \$111,652. Its investment and adjustment expense during the year was \$212,990 and its underwriting expense \$434,596.

The department in making its report makes some suggestions to the company. The department states that its affairs should be conducted strictly in accordance with provisions of the by-laws. Business written should only be accepted from licensed agencies. The repayment of surplus advances should be made strictly in accordance with the provisions of the agreement whereby the amount of the advance was accepted and the provisions of section 19 of the 1915 mutual act.

#### Should Improve Mortgage Loan Status

The management should make every effort to improve the status of mortgage loans owned. Supporting evidence of cash receipts as well as disbursements should be maintained in all cases and the purchase and sale of securities should be authorized by the directors. Operating expenses should be reduced as far as possible for the efficient conduct of the business and particularly expense paid in connection with the adjustment of claims which have been regarded excessive in the past. The management will comply with these requests. The report shows that the company has about 20,000 policyholders.

### Claims Names Are Confusing

LANSING, MICH., May 29.—Department authorities have been notified that a decree will be filed here enjoining the Central Mutual of Chicago from continuing to operate in this state under that name. Judge Keidan has handed down an opinion upon which the decree effective in 60 days, will be based. The Central Mutual Auto of Detroit petitioned for the order, contending damage to its business because of confusion of the two carriers in the public mind.

Both carriers write chiefly truck and taxicab coverage, the Detroit mutual having some private passenger car business in addition. The Chicago carrier was admitted to this state in 1933.

### Dividend Expected Soon

The local district court of New Orleans has consented to accept the account of Superintendent Van Schaick of New York as liquidator in that state for the defunct Union Indemnity, rather than to wait for the account to be approved by the New York court. This will hasten the time for paying dividends to creditors of the Union Indemnity. The records in the New Orleans court indicate that an agreement is near with the United States government as to the taxes that are due. The assets of the company's Louisiana fund are being converted into cash, in anticipation of the receipt of reports of ancillary receivers, from which it is expected a dividend will be declared.

### U. S. F. & G. Premiums Gain

Net premiums of the United States Fidelity & Guaranty for April were \$2,684,124, and for the four months \$10,584,799, President E. Asbury Davis reported at a meeting of the directors. Practically all lines showed an increase. Jacob Blaustein, president American Oil Company, Baltimore, was elected a director.

### Travelers Casualty Examined

The Illinois department has released its report of the examination of the Travelers Casualty, an assessment accident and health company with principal office in Springfield and executive office in Chicago.

The department states cognizance should be taken of the small amount of surplus in excess of the minimum requirement and of the suggestion that new business should be secured on a

very conservative underwriting basis. The exclusive agency contract with the Travelers Underwriters Company was canceled and this should aid in keeping operating and underwriting expenses at a minimum, the department states.

L. O. Napier is president; E. A. Graw vice-president and M. A. Napier secretary. Total income last year was \$6,848 and total disbursements \$6,606. Assets were \$5,206 and since there were no liabilities the surplus was the same amount.

### Agreement Knocked Out

NEW ORLEANS, May 29.—The compromise agreement between the defunct Union Indemnity and the Hartwig Moss Company must be revamped and the consent of the state must be obtained to any agreement made in the future, under a ruling by Judge Provosty. After the Union Indemnity went into receivership, an agreement was made, listing the debt owed by the Hartwig Moss agency to the Union Indemnity at \$23,500, payable with Louisiana highway bonds in the amount of \$8,500 and a note for the remainder. The attorney-general's office, as a large creditor of the Union Indemnity, went into court and objected to the agreement. The state argued that the Hartwig Moss Company owed \$144,000 and demanded a recasting of the agreement. Judge Provosty ruled in favor of the state.

### Michigan Mutual Buys Building

The Michigan Mutual Liability has purchased the former home office building of the Michigan Mutual Life at 163 Madison avenue, Detroit, to be occupied about July 1 as its home office. The company is now occupying rented quarters at 1209 Washington boulevard. The building will house all departments except the hospital and medical department, which will remain at 2730 Jefferson avenue.

### Western Companies Show Gains

The Western Casualty & Surety and Western Fire of Fort Scott, Kan., broke production records in April with premiums totaling \$365,000. This makes a total of \$1,166,000 for the first four months of 1935, compared with \$920,000 in the same period a year ago. The loss ratio on all lines showed a substantial improvement with the exception of automobile liability, still abnormally large.

### Atlas Casualty Receivership

Decree authorizing appointment of a receiver for the Atlas Casualty of South Bend, Ind., for liquidation of the company and conveyance of \$100,000 state deposit to the receiver was entered in Chicago by Circuit Judge H. A. Lewis on petition of W. C. Claussen, assistant attorney-general. This is a move to clear up affairs following the company's reinsurance in the Public Indemnity some years ago. Officers neglected to sign the papers necessary to convey title in the state deposit to the Public. H. B. Hershey, Illinois ancillary receiver for the Public Indemnity and International Reinsurance, who has possession of the state deposit in the form of mortgages, instituted the action to secure legal title to it. Little but the corporate structure of the Atlas Casualty and the \$100,000 deposit remained.

### Buckler Boston Manager

D. L. Buckler, who has been manager of the Fidelity & Deposit's Buffalo branch office since 1933, has been promoted to manager of the Boston branch, which is under the active direction of Vice-president Lawrence W. Moore. He will be succeeded in Buffalo by Carl H. Kuhn, former special representative in Wisconsin.

Carroll F. Herwig, special representative of the Baltimore branch, has been transferred to the Louisville office in the same capacity.

The Tower Mutual of Cincinnati has been licensed in Oklahoma.



## Urges Commission Cut and Dividends

(CONTINUED FROM PAGE 20)

we are shortly to enter such a period. In such event, it may turn out that with no fundamental reform at all the compensation business of the stock companies will show black figures for the time being. It would be a calamity of the first order if superficially favorable results are invoked as a preventive of permanently constructive remedies. I urge, therefore, that we prepare for the next deluge while the memory of the last is still vivid."

Under the proposed participating plan the compensation policyholders of a given company would each year, as a group and irrespective of state lines, have returned to them as a dividend as great a percentage of the earned premiums as the company can return after adequate provision for all liabilities and for reasonable profits to shareholders, a plan analogous to that followed by mutual companies. He emphasized that it is not to be confused with the rating plan as applied to the individual risk nor with any plan which has to do with the combined results for all companies.

### Favors Graduated Reduction

While recommending that acquisition cost should be "drastically reduced," Mr. Greene stated that the reduction should not be uniform for all sizes of risks, but rather should be graduated according to the size of risk as measured in terms of premium, and this graduation should be reflected approximately in the premium collected from the assured.

Among the advantages which he foresaw as results of these two changes, Mr. Greene listed the following:

1. Adoption of the participating plan would harmonize the interests of company and producer in respect to risk selection, for the producer's chief competitive weapon would be his company's dividend rate, which is dependent on its loss ratio.

2. With all carriers on the participating plan and with much less than the present disparity between them as to total costs, there would be no particular reason for controversy as to rate level nor any justification on the part of state authority for refusal to approve rates which are abundantly adequate.

### Less Frenzied Rate Changes

3. With a safety margin in the rates for all well-managed carriers, manual rate changes would be less frequent and frenzied. This would not only promote economy and good will but would tremendously facilitate the weathering of economic disturbances.

"It is my belief that commission scales in compensation have been higher than is warranted by the compulsory nature of the coverage. Many individual producers recognize that a moderate rate of commission on a fair volume of business is preferable to a higher rate of commission upon a small and dwindling volume; and some of them are practising this theory privately whether or not they profess it publicly."

Speaking of the disadvantages of the present plan, Mr. Greene said:

"This ill-omened plan dangles a rich and speedy reward before the producer but at the same time it deprives him of the salesman's mightiest weapon, for he cannot lawfully vary his price and many of the mutuals render excellent service at a net price lower than his. Unable to interest good risks, the producer is therefore forced to press doubtful business upon his carrier. The company, having little to bargain with except its commission, feels itself hardly in position to be too 'tight' in its underwriting and falls back upon the 'quota' plan; and the producer, regarding his stock company market as but a temporary one, is tempted to fill his quota with risks which he has tried unsuccessfully to place with the mutuals."

Mr. Greene traced the experience of the stock companies and mutuals in

## Special Libraries Group to Have Annual Meeting

The insurance group of the Special Libraries Association will hold its annual meeting in Boston June 12-14 at the Hotel Statler. Some of the librarians who will tell about their work are Elizabeth A. Burchfield, Massachusetts Mutual Life; Caroline L. Ferris, Philadelphia Insurance Society; Abbie G. Glover, Boston Insurance Library Association; Geraldine Rammer, Hardware Mutual Casualty of Stevens Point, Wis.; Edith H. Silience, Association of Life Insurance Presidents, New York, and Laura A. Woodward, Maryland Casualty, Baltimore.

There will be a talk the first afternoon by W. F. Howe, manager sales training division Phoenix Mutual Life, on "The Library and the Company's Educational Activities." Maj. H. A. Giddings, vice-president of the Travelers, will speak on "What an Insurance Executive Expects from the Company Library."

New York from 1929-34 inclusive and pointed out that "even had rates been adequate at all times, the stock companies still would have lost money consistently throughout the period."

"Adequate rates might have mitigated the situation," he continued. "Certainly they would not have cured it and quite probably they would have forced the stock companies into a weaker position than their present one, as far as prospective results are concerned."

In analyzing the benefit provisions of state compensation acts, comparisons should be based on value of the benefits in terms of units of weeks of wages rather than upon monetary amounts, said J. J. Smick of the National Council in his paper on benefit provisions of various acts. Thus, if one state provides compensation for a period of 10 years and another for six years, all other things being equal, the first state is the more liberal in its benefits even though because of wage scale differences the monetary amounts in the second are greater, he said. Average amounts paid for more serious injuries were steadily increasing up to 1930. Industrial accidents causing death or serious injury result in an average income provided by law greater than that provided by the average life insurance policy, Mr. Smick said.

John H. Miller, actuary of the Monarch Life, in a paper on non-cancellable accident and health, expressed doubt that a company can successfully write both cancellable and non-cancellable A. & H., unless the cancellable policy is distinctly inferior to the non-can. Otherwise adverse selection will be experienced.

Other speakers were W. V. B. Hart, assistant actuary Connecticut General Life, on "Recent Developments in Commercial Accident & Health Insurance," and H. G. Crane, controller of the General Reinsurance, "Commercial Accident & Health Insurance from the Standpoint of a Reinsurance Company."

### Dust Expert to Speak

Dr. E. V. Hill, editor of the "Aerologist Magazine," is to be the speaker before the next meeting of the Casualty Engineers Association of Chicago June 7. He is an authority on dust control. The time and place for a golf outing will be determined.

### Launch New Idaho Exchange

Ralph S. Nelson, who has operated the Workmen's Compensation Exchange of Coeur D'Alene, Ida., for the past 20 years, has recently organized a second exchange, the Northwest Indemnity Exchange, for writing miscellaneous lines.

The Benjamin Insurance Agency of Springfield, Ill., has moved to the Meyers building, where it has strictly modern headquarters. D. S. Benjamin is the proprietor of the agency, which was founded by his father in 1898.

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## FIDELITY AND SURETY NEWS

### Views Bank-Surety Relations

**McComas of Fidelity & Deposit Suggests How the Two Businesses Could Get Along Better**

A conception of the ideal relationship between surety companies and banks was presented by C. H. McComas, manager and attorney of the claim department of the Fidelity & Deposit, in addressing the meeting of the New Jersey Bankers Association in Atlantic City.

Bankers and surety companies should meet and in a spirit of frank and friendly cooperation discuss the involved and delicate question of protection under blanket bond coverages and adequate premium rates.

A surety company should not seek to sell the narrowest forms for the highest rates obtainable nor should the banks seek broadened coverage at inadequate rates.

Bankers should realize that surety companies have developed a vast amount of statistical information which serves as the basis for their judgment in certain matters of underwriting and premium. Surety people on the other hand should realize that the banking business has become so complex and intricate that coverage must be liberalized and restrictions removed so far as is consistent.

Mr. McComas admitted that the language of the forms of many of the blanket bonds leaves much to be desired in clarity of expression. This is due to the fact that the forms have "just grown." They were developed in a mutual lack of knowledge of the re-

spective businesses so the language does not always clearly express the mutual aims and desires of the drafters of the forms.

### Cline Named Chairman

The conference of surety men in Chicago with J. A. Beha, general manager National Bureau of the Casualty & Surety Underwriters, on correcting the surety acquisition situation, resulted in the appointment of R. E. Cline, Aetna Casualty, as chairman of an informal body which will act through the Surety Underwriters Association of Chicago.

No definite action for the future is planned, although it is proposed that general agencies be recognized as city agents and that all companies adhere strictly to the 20 percent commission to brokers and 30 percent for general agents.

### Hold Joint Golf Outing

The joint outing of the Chicago and Milwaukee Surety Underwriters associations will be held at Bob-o-Link country club near Chicago June 4, the Chicago association being host.

### Yost Addresses Buffalo Club

At the meeting of the Buffalo Surety Club, Vice-president J. G. Yost of the American Bonding was the guest and gave an interesting talk on different phases of the surety business. A picnic is being planned by the club for some time in June. A. C. Soeder is president.

The annual outing of the Surety Underwriters Association of New Jersey will be held June 12 at the Monmouth County Country Club, Eatontown, N. J.

## CHANGES IN CASUALTY FIELD

### To Have Associate Managers

**E. D. Sweet Links Up with J. H. Marshall in Charge of Massachusetts Bonding in Iowa**

Vice-president Spencer Welton of the Massachusetts Bonding is in Des Moines this week installing a new co-manager in the Iowa branch office. Joseph H. Marshall has been the sole manager. He is primarily a surety man and has been endeavoring to secure an associate who could develop the casualty business. E. D. Sweet, who for many years was Ohio manager for the Maryland Casualty, and more recently has been looking after the casualty end of the Cleveland agency, becomes associate manager with Mr. Marshall at Des Moines for the Massachusetts Bonding. This will give the Des Moines office two excellent men specialists in their respective lines.

### DeBar in Wisconsin Field

Harry T. DeBar has been appointed Wisconsin special agent of the Ocean Accident and Columbia Casualty with

headquarters in the Guaranty building, Milwaukee. He succeeds E. E. Hawley, resigned.

Mr. DeBar started with the Travelers in Chicago and remained in that connection about four years. He traveled eight years in Illinois for the Commercial Casualty and then joined the Continental Casualty, operating in several western states.

### Green with Busler Agency

W. J. Green, for 5½ years manager of the automobile department of the Kansas City branch of the Aetna Casualty and from 1929 until recently special agent Metropolitan and Commercial Casualty for Kansas and western Missouri, has joined the Sam E. Busler & Co. general agency there and will manage its fire and casualty business.

### Manager Hupp Announces Change

Manager H. B. Hupp of the Cincinnati office of the United States Fidelity & Guaranty announces that H. E. Curry, formerly special agent in southern Ohio, will travel Ohio, Indiana and Michigan as judicial inspector. E. D.

## New Book Gives Picture of the Maryland Casualty

All books, pamphlets and literary matter that come from the press of the Maryland Casualty are done in finished form, both typographically and from the quality of text. A new book, bound in blue with silver back, entitled "\$292,064,852" is the latest from that press.

The significance of the figures is that that represents the sum paid by the company in claims and claim expenses during its 37 years of existence. As it is pointed out it is the true dollar measurement of the Maryland Casualty's service.

### Purpose of the Book

The book is devoted to explaining the contribution of the company to business and industrial development, the public welfare and to society. There is a foreword from President Silliman Evans developing the purpose of the Maryland Casualty and its reasons for existence. The book tells about the origin of the company and its development under the late president, John T. Stone, and his successor, the late F. Highlands Burns. It points out the milestones as they are passed by, giving its advancement as the years go on. It tells the different kinds of business the company writes.

### Was Pioneer in Policy Reform

The point is made that the Maryland Casualty was the first casualty company in the country to provide direct liability protection for the automobile owner. The booklet says: "Until this was provided the prevailing insurance offered only indemnity to the motorist. In other words the automobile owner was obliged to carry his own burdens and pay his own claims and then was reimbursed by the casualty company to the extent of what he had paid. The person who suffered injury or loss had no direct action against the insurance company."

At the beginning of each chapter there is an artistic illustration in black and brown.

### Payments Now Total \$310,000

Stock and mutual companies have already paid \$310,000 into the new New York pool to guarantee payment of benefits to compensation claimants against failed companies. This represents a 1 percent assessment on 1934 compensation premiums in New York. Hereafter the payments are to be made quarterly, until a \$3,000,000 fund is created. Stock companies have paid in \$220,000 and mutual companies \$90,000.

Memel, formerly with the Cincinnati Underwriters Agency, has been named to succeed Mr. Curry.

### Chiedo Is Underwriter

J. S. Chiedo, who for a number of years was underwriter in the Chicago branch of the Iowa Mutual Liability, has been appointed underwriter in the Newark branch office of the Hardware Mutual Casualty of Stevens Point. He spent some time in the head office, familiarizing himself with the mutual's policy.

### Langdon Special Agent

J. J. Langdon, formerly an Evanston, Ill., local agent, has been appointed special agent in Chicago territory for the Iowa Mutual Liability, operating out of the Chicago branch. Mr. Langdon formerly represented the mutual at Evanston and five years ago was its special agent in Chicago.

### Amato Gets More Lines

B. F. Amato, who has been manager of the Commercial Casualty's automobile department in Chicago, is now handling burglary, compensation and general liability as well.

Thirty-Three Years—Through Thick and Thin

# AMERICAN CASUALTY COMPANY

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● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

**A Stock Company** **Incorporated 1902**

Supporting the American Agency System ever since



## Pennsylvania Body Elects J. S. Fisher

(CONTINUED FROM PAGE 29)

ments of all admitted insurers and check any items or conditions that may adversely affect financial standing. Efforts are being made to curtail the activities of unlicensed companies, approximately 150 of which have been known to operate in the state.

Although Mr. Hunt has attempted to secure passage of amendments to the insurance code, he feels it is out of date and should be entirely revised through appointment of an insurance code commission. Intelligent thought toward a proper solution will necessitate careful study and consideration and the deliberations will probably extend over a year, during which time public hearings will be held.

The establishment of a rating bureau for promulgation of rates covering all casualty lines, in particular automobile, will produce necessary stability, said Mr. Hunt. Establishment wherever advisable of standard forms, uniform policy provisions and insurance department supervision on all types of insurance contracts, will be sought. New machinery for liquidation or dissolution of defunct companies, uniform mutual laws and other modernized statutes are needed.

### Cements Friendship

President Beyer said that the federation is helping to cement friendship and understanding between insurance interests, bringing companies and men closer together and creating a greater tolerance, sympathy and good will towards the insurance business.

The fact that the Pennsylvania legislature is composed of almost 50 percent new members has increased the difficulties in the present legislative sessions, according to H. W. Teamer, secretary and manager Insurance Federation of Pennsylvania, in a review of legislative activities. The various types of legislation were discussed by Mr. Teamer. Economic conditions have created agitation for liberalizing mortgage foreclosures. However, the function of an insurance company is to pay its claims promptly and adequately and it can only do so when its resources are liquid. Mortgage legislation tends to put these reserves more or less in a strait-jacket. Further increases in insurance taxes are being sought. At present insurance pays over \$15,000,000 in the general fund, while only a little over half a million goes to pay the expenses of the insurance department. One measure which has been passed increases the capital stock tax on fire companies from three to five mills. There are a number of bills restricting the business which have not passed. These involve claim reserves, standard industrial life policy contracts, etc. There are a number of new bills affecting group insurance extending the provisions of the present law.

There are 55 workmen's compensation bills pending and the measures extending benefits for injuries and making occupational diseases compensable have been passed by the house and are now before the senate. There are measures attempting to broaden the scope of coverage on laborers' and material men's surety bonds, although none of them has succeeded of passage. An effort to create a state surety fund has created considerable concern, but has not made much progress.

On the second day special round table discussions were held. W. B. Corey, secretary-treasurer of the Provident Industrial Life, Health & Accident, presided at the Industrial Health & Accident Conference at which C. G. Tripner, general manager Lincoln Republic Life; E. R. Deaver, president Progressive Life, and Albert Ries, secretary Philadelphia Mutual Aid Society, spoke.

The fire and inland marine round table was conducted by Paul K. Garver, special agent Continental, Pittsburgh.

Before the surety and casualty ses-

sion Albert Supplee, Pittsburgh manager United States Fidelity & Guaranty; F. S. Kaufmann, Pittsburgh manager Travelers, and H. S. Bepler, Pittsburgh, led the discussion.

P. W. Pearson, secretary Penn Mutual Fire, West Chester, Pa., headed the mutual fire insurance round table.

Policy forms, underwriting requirements, sales plans and opportunities were discussed at the round table of the health and accident insurance group of which William A. Stumpf, assistant Pittsburgh manager United States Fidelity & Guaranty, was chairman.

The extensive protection afforded by insurance was described by President-elect Fisher. The growth and expansion of insurance has led to immense capital accumulations which intimately affect the finances and credits of all forms of business. The realization of the magnitude and ramification of insurance creates a great sense of responsibility to those who manage it.

At the annual banquet former Governor Albert C. Ritchie of Maryland spoke on "American Self-Government—It Must Be Preserved." He asked for a balanced federal budget, sound and stable currency, and checking of the national debt.

## Announce Final Program of H. & A. Conference Sessions

(CONTINUED FROM PAGE 29)

Releases," R. A. Cavanaugh, Illinois Commercial Men's; discussed by W. C. Butterfield, National Casualty; L. J. Adelman, National Travelers Casualty; V. E. Nutt, Great Western; Paul Clement, Minnesota Commercial Men's; E. Trevett, Commercial Travelers Mutual Accident.

"Confinement to House' Clause," V. J. Skutt, Mutual Benefit Health & Accident; discussed by J. F. Brandmier, National Casualty; E. A. McCord, Illinois Mutual Casualty; A. D. Johnson, United Insurance; B. B. Paddock, Central Assurance. Review of Accident and Health Litigation, Thos. Watters, Jr.

### Thursday Morning

Agency Management—G. F. Manzelmann presiding.

"Stimulating Production," R. M. Rowland, National Casualty.

Agency Developments in 1935:

"Selection," J. W. Blunt, Monarch Life; discussed by R. A. Brown, Inter-State Business Men's; H. G. Rockwood, United Insurance; O. F. Davis, Illinois Bankers; A. E. Faulkner, Woodmen Accident; C. Truman Redfield, Mutual Benefit Health & Accident.

"Recruiting," A. N. Hepler, Jr., Income Guaranty; discussed by H. G. Royer, Great Northern Life; J. E. Powell, Provident Life & Accident; J. P. Collins, National Casualty; Fred Grainger, Federal

Life & Casualty; J. T. Mayall, American Savings.

"Training," W. G. Alpaugh, Inter-Ocean Casualty; discussed by A. M. Holtzman, Colorado Life; J. F. Ramey, Washington National; D. G. Trone, Indiana Travelers; H. L. Loomis, Industrial Casualty; W. W. Morse, Federal Life & Casualty.

"Supervision," E. B. Fuller, Loyal Protective; discussed by C. Norman Green, Hoosier Casualty; E. C. Bowlby, Fidelity Health & Accident; C. C. Inman, Illinois Mutual Casualty; F. L. Barnes, Ohio State Life; G. M. Hughes, Maccabees.

### Afternoon

"Home Office Management," L. U. Stone, Jr., vice-president Pacific Mutual Life.

"Selling Human Values," C. E. Rickerd, president C. E. Rickerd Advertising Agency, Detroit.

Executive session—open to active members only.

### Thursday Evening

Annual conference banquet, G. F. Manzelmann presiding.

Presentation of golf and bridge prizes by Henry E. McCurry.

Address, James F. Schermerhorn, Detroit.

### Friday Morning

Monarch Four-Classification Manual—Purpose and Methods of Preparation, C. W. Young, president Monarch Life.

Report of Special Committee on Manual Simplification, Harold R. Gordon, executive secretary.

Discussion. Report of Special Committee on Uniform Phraseology, C. O. Pauley, Great Northern Life.

Discussion. New Business. Resolutions and Memorials.

Report of Nominating Committee and Election of Officers.

Date and Place of Next Meeting.

## Nearly \$3,000,000 in Claims

OKLAHOMA CITY, May 29.—There have been 210 suits filed in the district court here in four months, involving claims for \$2,838,648 damages for personal injuries, according to a survey made by the Oklahoma City Accident Prevention Bureau. Automobile accidents were responsible for \$892,432 in death claims on 163 accidents, 13 of which were death claims. It is estimated that the average claimant recovers 25 percent of the amount asked.

## To Arbitrate Silicosis Claims

ST. LOUIS, May 29.—Approximately 600 personal injury damage suits against the St. Joseph Lead Company in which the plaintiffs allege that they contracted silicosis while working for the concern are to be submitted to arbitration under the terms of an agreement reached with a group of attorneys interested in the litigation.

# AMERICAN

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Surplus (at Market Values) .....	2,574,975.70
Voluntary Catastrophe Reserve .....	500,000.00
Reserve for Losses .....	2,690,601.13
Contingency Reserve .....	48,127.58
All Other Liabilities .....	1,110,130.69
TOTAL ASSETS .....	7,923,835.10
NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.	

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## KOOP PREDICTS REVERSAL OF LOSS RECORD

(CONTINUED FROM PAGE 3)

among the subjects covered in the report of the committee on adjustments, Paul B. Sommers, president American of Newark, chairman.

The arson department started an investigation of the adjustment situation in Boston in the fall of 1933. In March of this year a subcommittee of five members was appointed and has done much towards inaugurating a plan to remove unsatisfactory adjustment conditions in Boston.

The primary recommendation is that all losses in the territory be referred to the Fire Companies Adjustment Bureau. It is realized that there are good independent adjusters who should receive consideration but the assignments to them should be under organized control.

Representatives of the subcommittee have visited Boston to discuss the formation of a loss adjustment clearing house. Under this plan there would be created a permanent supervisory committee to consist of five members of the committee on adjustments of the National Board and five other members, residents of Boston.

A fund of \$35,000 has been requested in this year's appropriation to establish the office. This money will be returned when the funds accumulated by the clearing house justify a repayment.

The report referred to the southern California earthquake claims. An appraiser for one of the assured developed an aniline dye test to prove earthquake damage. The companies employed two engineers and a professor of civil engineering to prove the fallacy of this method.

The companies interested in the loss effected a compromise settlement last October.

A detailed study was made of another building in the same locality in which the same test had been applied. In this case the loss originally found to be less than the deductible is now claimed to be about 60 percent of the sound value.

## COMMITTEE ON LAWS

During the year there have been 46 regular sessions and 16 special sessions of the various state legislatures, according to a report of the committee on laws, F. C. White, vice-president Hartford Fire, chairman. Sixteen legislatures and congress are still in session.

The business has been confronted with radical departure from existing laws for insurance supervision by the substitution of new remedies for the alleged ills of the business by increased restrictions and the lodgement of extraordinary powers through department regulations. The effect of such proposed legislation would be to minimize the authority and responsibility of company officials, increase political control, create uncertainty as to contractual obligations and lessen investment opportunities.

## PUBLIC RELATIONS

The committee on public relations, George C. Long, Jr., vice-president Phoenix of Hartford, reported that during the year contacts have been made with several business or trade organizations. Studies were made of the fire hazards peculiar to each industry and of its general attitude towards stock company insurance. A number of articles prepared by the public relations department have appeared in official publications or trade papers of various trade associations. An important liaison was established with the National Association of Credit Men.

Fire prevention week was most successful, there has been good response to the self inspection blank for schools.

R. R. Martin, United States manager of the Atlas, reported as chairman of

the actuarial bureau committee. During the year, he said, a vigorous effort has been made to obtain through the adjusters' loss report and by correspondence the full name and occupation of an insured or others involved in a criticized fire or claim. This information is valuable in establishing the identity of a person who has a fire record with one of similar name applying for insurance. Since its establishment, 18,171,424 adjusters' loss reports have been filed with the bureau. Expenses of the bureau last year were \$306,335 as compared with \$345,067 the year before. It is estimated that \$274,000 will cover the expenses for 1935.

## UNIFORM ACCOUNTING

The committee on uniform accounting of which Gilbert Kingan, United States manager London & Lancashire, is chairman, cited the activity of certain publishers of fire insurance statistics to restore the exhibit of risks written, which is not now required by many states. This suggestion and others of a retrogressive nature were not adopted by the blanks committee of the National Convention of Insurance Commissioners. The National Board this year decided not to request inclusion of loss adjustment expenses with losses.

The committee on blanks discussed the proposal to show an allocation of premiums written by states. Final action was not taken, however, and the matter was left open for the annual meeting of the insurance commissioners. Other committee reports were: Executive, Paul B. Sommers, president American of Newark, chairman; construction of buildings, Victor Roth, president Security of New Haven, chairman; finance, J. L. Parsons, president United Fire, chairman; maps, Montgomery Clark, vice-president Hanover, chairman, and membership.

## London & Lancashire Chief Views World Insurance-wise

(CONTINUED FROM PAGE 2)

"having regard to the undoubted increased hazard of motorcar business, and to the more or less oscillating industrial conditions. It will therefore be a satisfaction to you to know that in our own case the outcome of our accident operations in the United States was appreciably better than what we have been accustomed to."

So far as the results of the London & Lancashire are concerned, they are better than he had anticipated, Mr. Rutter declared. After a shrinkage in premium income for several years, an increase was shown last year in every department. The fire business yielded a profit of £387,950 or 13.6 percent. There was a profit in the accident department of £77,816 or 3.83 percent, which was better than in 1933.

There was a profit in the marine department of £133,936 or 13.08 percent. There was an increase in the marine premium income largely because 1933 had been adversely affected by the drop in the American exchange.

In Canada the fire results were good and the accident results better than in the previous year.

In recent years there has been an increase in the attitude, Mr. Rutter asserted, that destruction does not matter if only the damage is insured. Insurance companies are regarded as a great ultimate resort which has been provided for the specific purpose of compensating people for their carelessness and even for their crime. The number of cases has been growing which are not satisfactory, but which the companies, jealous of their established reputation, deal with as well as

they can—often by compromise. Litigation is resorted to in the last event.

Honest men have to pay for those who are either not honest or reckless or careless—those who do not realize that waste is waste.

Results in the accident department, although better than in 1933, are still not satisfactory. In Great Britain the road traffic act has added more to the companies' liabilities than at first was anticipated. It has become progressively more difficult to satisfy injured parties, because it is known that the motorist is insured. The amounts awarded by the courts are much heavier. Propaganda in regard to road accidents has had the effect of creating an underlying hostility against the motorist. The claimant is almost invariably given the benefit of the slightest doubt. He contended that the liability of a motorist should be modified to the extent to which there happens to be contributory negligence on the part of the injured party.

In 1928 the average cost of third party settlements of the London & Lancashire was £24. In 1934 the average cost was £45. There were fewer claims in 1934 than in each of the three preceding years but the total paid was considerably larger.

### Failure of Cut Raters

"Recent failures of certain companies who took the view that they could trade successfully at rates substantially lower than those charged by leading companies must, I think, have convinced the public that the oldest-established insurance companies are not actuated by any desire to make excessive profit, but that their aim is to give complete security and good service to the motorist."

The same influences so far as automobile insurance is concerned are apparent in the foreign field as well.

Workmen's compensation in 1934 went from bad to worse and there was not one important country where the results were even moderately satisfactory. Deterioration in the compensation results is due to the heavier demands of injured parties. The increased tendency to throw additional burdens on the companies must have the obvious effect of forcing the companies to abandon some of their business or to exact increased rates such as will leave at least a slight margin for the work involved.

### Marine Market Restricted

Although the marine results were entirely satisfactory, the marine business is still much restricted in volume and competition has gone beyond the bounds of prudence. Cargo rates have been continuously reduced since the war and the policy conditions are wider and much more embracive.

He expressed gratification because negotiations are proceeding with a view to reaching agreement among marine underwriters in the principal centers to limit war risk cover to goods afloat and for a very short period after discharge. Up to 1914, he recalled, it was usual for marine policies to be issued to exclude war risk, although the exclusion could be canceled on the payment of additional premium. Following the war, however, war risks have been included in the policies, subject to certain rights of cancellation. The result has been that marine underwriters have been covering war risks for long periods before shipment and after discharge, including often considerable land transit. Thus it is not difficult to visualize what a colossal liability might be involved to a large marine company by an accumulation of goods at a big port in event of an outbreak of hostilities.

Interest earnings, he reported, have been affected through progressive defaults and by the prevailing tendency of borrowers to repay their loans or to refund them at a lower rate. The London & Lancashire itself is embarking upon such a course. The Law Accident Insurance Society has given notice to repay on June 20 its outstanding 4 percent debenture stock, which is guaranteed by the London & Lancashire. This

will extinguish the last of the debenture stock liabilities outstanding, except the £207,000, 4 percent of the Law Union, which cannot be redeemed until 1942.

## Parley on I. U. B. Records Results

(CONTINUED FROM PAGE 1)

—the distribution of over-writing commissions in the territory where the values are located.

Since the I. U. B. is not an underwriting pool and has nothing to do with the writing of the policies or collection of premiums, it was pointed out that the payment of commissions was not a matter over which the I. U. B. had any direct supervision or jurisdiction, but that this is solely a company function.

All of the company members present were insistent that the payment of over-writing commissions is being carefully carried out.

The discussions brought out the fact that the total business reported through the I. U. B. for 1934 amounted to about \$5,500,000 of premiums which represented a little less than 1 1/4 percent of the total fire premiums of the country. While 5 percent over-writing commission on this amount of business would amount to over \$250,000, when divided among the agents of the country, it cannot amount to very much for any individual agent.

### Minimum Premium Debated

The agents asked for a discussion on the advisability of increasing the minimum retained premium on any I. U. B. risk and also as to the necessity of having a rule limiting the liability at any one location. This developed considerable discussion but after the company representatives had pointed out that in their opinion further limitation at this time would probably react to the detriment of many agents, it was agreed that these suggestions be held over for a future conference so as to allow more time for study.

Both sides agreed that these conference committees can be of great value and are recommending that each organization continue its conference committee as a standing committee for periodical discussion of problems.

The agency conferees were: Kenneth H. Bair, Greensburg, Pa., chairman; Archie J. Smith, New York; Lyman Drake, Chicago; E. J. Cole, Fall River, Mass., president National association; Walter H. Bennett, general counsel; J. B. Miller, assistant secretary.

The company committee was composed of: H. V. Smith, chairman, vice-president Home; Paul L. Haid, president Insurance Executives Association; John C. Harding, western manager Springfield F. & M.; Vincent L. Gallagher, secretary America Fore; J. M. Waller, vice-president Aetna Fire, and J. R. Dumont, manager I. U. B.

### Sets Accident Prevention Week

SAN FRANCISCO, May 29.—Calling on every community in California to form permanent accident prevention councils, Governor Merriam has issued a proclamation designating June 9-15 as "Accident Prevention Week." A Western Safety Conference is to be held here that week. B. G. Wills, vice-president Fireman's Fund Indemnity, is general chairman. W. A. Chown, manager California Inspection Rating Bureau, is chairman of the executive committee.

### Low Percentage of Losses

In a report on its burglar alarm service the American District Telegraph Company shows that the percentage of losses to values attacked at protected points is .02 compared with .037 percent at unprotected points. The average loss per attack on the protected points was \$94.93 and unprotected points \$274.08. There were 899 attacks on protected points and 219 entrances effected. There were 272 captures and \$42,539,271 property attacked. Losses were \$85,342.



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Single Rooms with Bath \$4 up  
Double Rooms with Bath \$6 up

★
★

*The*  
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 H. P. Somerville, Managing Director

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Cincinnati has the  
**GIBSON Hotel**

Washington  
has the  
**CAPITOL**





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its hospitality

More than a hotel... a place to live.  
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F. W. FALLANT, General Manager

## New 1935 "Handy Table" for Appraising Now Ready

With Figures brought up to date for 1935

### How To Determine Quickly, Approximate Actual Cash Value of a Building

Insurance adjustment of loss is made on a basis of ACTUAL CASH VALUE of the damaged property at the time of loss. And if there is a coinsurance clause in effect, the amount to be recovered depends also upon the relation between ACTUAL CASH VALUE and the amount of insurance carried on the property.

Thus it is quite important, in fixing the amount of insurance on a building, that the owner (and the agent also) know at least approximately what the ACTUAL OR INSURABLE VALUE of that building is. Only thus can precaution be taken that the amount of insurance is (1) not less than it should be properly to protect the interest of the owner and (2) that the insurance on the building is not greater than the actual value of the building—that the owner does not pay for insurance that he does not get. **VALUES HAVE CHANGED A LOT THESE LAST TWENTY YEARS—AND THEY ARE STILL CHANGING.**

#### What Is the Insurable Value?

If you had something to carry in your inside coat pocket which would enable you at any time to arrive quickly and easily at the then approximate insurable values of various kinds of buildings it would help both you and your customers, wouldn't it?

You could then find out without delay whether the amount of insurance carried or proposed on a building is much greater than its insurable value, or much less than it should be to protect the assured and to comply with coinsurance requirements if any.

With the "Handy Table" you will be prepared at any time to do these very things.

The "Handy Table" has been compiled and copyrighted by an experienced insurance engineer. It has full and simple directions for use. It exhibits in a new way a method of determining approximate construction costs of different kinds of buildings for the years 1913 to 1935. It is the result of practical experience, is made for long, hard use and comes in a stout manilla envelope, pocket size. **AND IT COSTS BUT \$1.00.** With it in your pocket you can quickly and easily convert original cost of building to the approximate present actual (insurable) value of that building. And if you cannot find out the original cost, the "Handy Table" supplies cubical contents rules for different kinds of buildings to help you in arriving at approximate reconstruction costs of buildings of different classes of construction and occupancy. In addition there is an insurance depreciation table. You won't want to part with the "Handy Table" because you will use it much to your advantage.

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## WHO HAD TO PAY?

**THE CASE:** Canned goods packed in South America. Imported by a great distributing house. Sold to a chain store. Retailed to a customer. The customer sued, alleging that the canned goods contained a piece of tin, which he swallowed.

**THE VERDICT:** Distributor and chain store held jointly liable. Both had to pay.

**THE MORAL:** Products Public Liability Insurance, which protects against such losses, is one of many Public Liability coverages for which agents find a ready sale. Helpful selling facts on these coverages are given in the U. S. F. & G. "Pathfinders" for May. It will pay you to read your copies carefully.

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